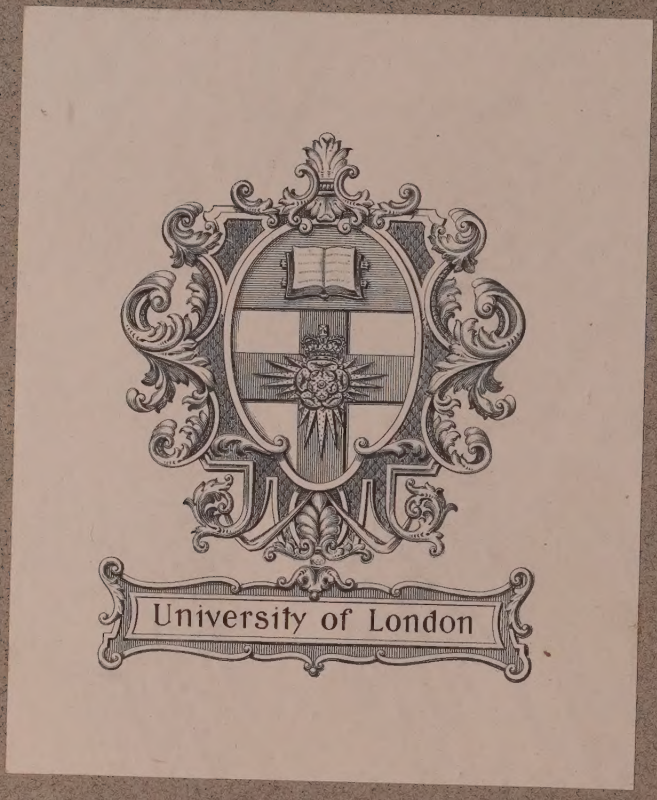
University of London

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REPORTS

FROM

COMMITTEES:

SEVEN VOLUMES.

— (1.) —

ACCOUNTS, PUBLIC;
BOULOGNE-SUR-MER PETITION;
BURGHS AND POPULOUS PLACES (SCOTLAND)
GAS SUPPLY BILL;
DEPRECIATION OF SILVER.

Session

8 *February* —— 15 *August* 1876.

VOL. VIII.

1876.

REPORTS FROM COMMITTEES:

1876.

SEVEN VOLUMES:—CONTENTS OF THE

FIRST VOLUME.

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FIRST

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
24 *March* 1876.

Friday, 11*th February* 1876.

Committee of Public Accounts nominated of—

Mr. Dodson.
Sir Walter Barttelot.
Lord Frederick Cavendish.
Mr. Cubitt.
Lord Eslington.
Mr. Goldney.
Mr. Thomson Hankey.
Mr. O'Reilly.
Sir Charles Mills.
Mr. Seely.
Mr. William Henry Smith.

Friday, 24*th March* 1876.

Ordered, That the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, from time to time, to The House.

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FIRST REPORT.

THE COMMITTEE on PUBLIC ACCOUNTS have made Progress in the consideration of the Matters to them referred, and have agreed to the following FIRST REPORT:—

1. YOUR Committee have examined the Appropriation Accounts of the sums granted for the Civil Services, for the Navy Services, and for Greenwich Hospital and School, for the year ending on the 31st day of March 1875; together with the Report of the Comptroller and Auditor General upon each separate Account.

The Excesses on the Votes for the year ended on the 31st of March 1875 were voted before your Committee had the opportunity of settling this Report, but not until they had examined the Accounts. The amount of the several deficits voted are in accordance with the views of your Committee.

CIVIL SERVICES.

CLASS I.

VOTE 1.—ROYAL PALACES.

2. The payment objected to by the Comptroller and Auditor General was erroneously charged to this Vote. The amount has been recovered from the Lord Chamberlain's Department. Q. 1.

3. A deficit of 23 *l.* 13 *s.* 1 *d.* has been voted for this service.

VOTE 2.—ROYAL PARKS AND PLEASURE GARDENS.

4. Your Committee concur with the Comptroller and Auditor General that the exceptional payment adverted to should have been shown in the Account under a special Sub-head. Q. 3—5.

VOTE 3.—PUBLIC BUILDINGS.

5. Your Committee consider that a note stating the expenditure upon Government Buildings, Isle of Man, is annually repaid out of Insular Revenues should in future be appended to the Estimate. Q. 12.

6. A deficit of 2,460 *l.* 12 *s.* 2 *d.* has been voted for this service.

VOTE 4.—FURNITURE OF PUBLIC OFFICES.

7. A deficit of 6 *l.* 17 *s.* 1 *d.* has been voted for this service.

VOTE 5.—HOUSES OF PARLIAMENT.

8. A deficit of 372 *l.* 3 *s.* 5 *d.* has been voted for this service.

VOTE 8.—NATIONAL GALLERY ENLARGEMENT.

9. The increase of expenditure was not provided for through an oversight on the part of the Board of Works. Q. 40.

A deficit of 1,864 *l.* 5 *s.* 4 *d.* has been voted for this service.

Vote 11.—Post Office and Inland Revenue Buildings.

Q. 41. 10. The greater part of the excess of expenditure on Sub-head M. appears to have been due to an insufficient estimate on the part of the Board of Works.

Q. 46, 47. 11. Large transfers of charges from Sub-head A. (Post Office, New Works and Alterations) to Sub head B. (Post Office, Maintenance and Repairs), and Sub-head M. (Telegraphic Offices, Maintenance and Repairs), were made with Treasury sanction. In the corresponding Vote for subsequent years, the estimated expenditure for Telegraphic and for Post Office requirements has been apportioned and distinguished under different sub-heads. The Board of Works and the Post Office are engaged in considering the basis on which the expenditure between the two services may best be apportioned; and it is hoped
Q. 55, 56. that, subject to the sanction of the Treasury, an improved treatment of the question may be arrived at.

Vote 13.—County Court Buildings.

12. The Comptroller and Auditor General calls attention to the circumstance of the cost of a Site and Buildings having been included in Sub-head A. "New Works and Additions," and observes that the Committee on Public Accounts on a former occasion expressed the opinion that expenditure for the purchase of sites should appear under a separate sub-head.

Q. 65—72. 13. It was represented to your Committee that it was apprehended that the statement in the Estimates of a definite sum while negociations for a purchase are pending might be prejudicial to the public interest. Your Committee recommend that the title of the Sub-head "New Works and Additions" should be extended so as to cover the purchase of Sites on Buildings, and that in the subsequent Account the cost of the purchase should be distinguished from the other items. The same observation will apply to similar cases under other Votes.

Vote 16.—Harbours, &c., under the Board of Trade.

Q. 84. 14. The liability for the sum of 8 *l.* 9 *s.* 6 *d.* for Alderney Harbour has been, in accordance with the view of the Comptroller and Auditor General, transferred to the Admiralty.

Vote 17.—Portland Harbour.

Q. 85. 15. The advance to Naval Funds has now been repaid.

16. A deficit of 24 *l.* 10 *s.* has been voted for this service.

Vote 27.—Lighthouses Abroad.

17. A deficit of 1,763 *l.* 7 *s.* 9 *d.* has been voted for this service.

CLASS II.

Vote 2.—House of Commons Offices.

Q. 102. 18. The two overpayments pointed out by the Comptroller and Auditor General are admitted, and will be adjusted.

Vote 4.—Home Office.

19. A deficit of 73 *l.* 1 *s.* 8 *d.* has been voted for this service.

Vote 8.—Board of Trade.

Q. 104. 20. The messenger who failed to obtain a certificate is about to undergo another examination.

Vote 9.—Privy Seal Office.

21. A deficit of 12 *l.* 0 *s.* 4 *d.* has been voted for this service.

Vote 15.—Registrars of Friendly Societies.

22. The Comptroller and Auditor General calls attention to the circumstance that the Registrar, in addition to his salary as Registrar under this Vote, receives an annual payment out of the Vote for the National Debt Office, as "Barrister for the Revision of Rules of Savings Banks," but that no note to this effect appears in the Account or in the Estimate. The omission of such a note occurs in analogous cases under other Votes. Q. 113—116.

23. The Committee on Public Accounts have before now advised that a note should in such cases be appended to each Vote, and are of opinion that the Treasury should send a Circular to remind the Departments concerned of this recommendation. Q. 119—176.

24. A deficit of 162 *l.* 15 *s.* 4 *d.* has been voted for this service.

Vote 16.—Local Government Board.

25. The payment adverted to by the Comptroller and Auditor General as made to the Assistant Medical Officer of the Local Government Board out of the Vote for Diplomatic Services, appears to be of a different character from those observed upon under the preceding Vote, being exceptional and limited to the amount of the recipient's personal expenses while employed on an extraordinary service. Your Committee refer to the observations contained in their First Report of last year upon Vote 5, Class II. Q. 117.

Vote 23.—Public Works Loan Commission and West India Islands Relief Commission.

26. A deficit of 19 *l.* 4 *s.* 7 *d.* has been voted for this service.

Vote 25.—Stationery and Printing.

27. A deficit of 4,110 *l.* 8 *s.* 1 *d.* has been voted for this service.

Vote 29.—Exchequer and other Offices in Scotland.

28. A deficit of 9 *l.* 19 *s.* 10 *d.* has been voted for this service.

Vote 30.—Fishery Board, Scotland.

29. The small over-payment adverted to by the Comptroller and Auditor General has now been adjusted. Q. 120.

30. A deficit of 27 *l.* 19 *s.* has been voted for this service.

Vote 32.—Register Office, General, Scotland.

30*a*. A deficit of 111 *l.* 11 *s.* 11 *d.* has been voted for this service.

Vote 33.—Board of Supervision for Relief of the Poor, and for Public Health, Scotland.

31. The Appropriation Account for this service has now been presented. No observation arises upon it. Q. 121.

Vote 34.—Household of the Lord Lieutenant of Ireland.

32. A deficit of 59 *l.* 7 *s.* 8 *d.* has been voted for this service.

Vote 39.—Public Record Office, Ireland.

32*a*. For the reasons stated in the Report the surplus to be surrendered will be 522 *l.* 6 *s.* 5 *d.* instead of 521 *l.* 12 *s.* 1 *d.* as shown in the Account.

Vote 43.—General Survey and Valuation of Ireland.

33. It is stated that the sum in arrear has now been paid over by the local authorities. Q. 130.

CLASS III.

Vote 12.—Police, Counties and Boroughs, Great Britain.

34. A deficit of 1,349 *l.* 6 *s.* 5 *d.* has been voted for this service.

VOTE 13.—CONVICT ESTABLISHMENTS IN ENGLAND AND THE COLONIES.

35. A deficit of 924 *l.* 10 *s.* 6 *d.* has been voted for this service.

VOTE 19.—COURTS OF LAW AND JUSTICE, SCOTLAND.

Q. 131. 36. The information asked for will be given on the Account of Woods and Forests.

VOTE 21.—PRISON AND JUDICIAL STATISTICS, SCOTLAND.

Q. 132—137. 37. Your Committee recommend that the expense of the Manufacturing Department be in future stated in a note upon the Accounts.

VOTE 22.—LAW CHARGES AND CRIMINAL PROSECUTIONS, IRELAND.

38 A deficit of 3,830 *l.* 10 *s.* 4 *d.* has been voted for this service.

VOTE 23.—COURT OF CHANCERY, IRELAND.

Q. 138. 39. Treasury sanction has been given to the salary adverted to by the Comptroller and Auditor General, satisfactory explanation having been afforded by the Lord Chancellor of Ireland. The Treasury have admitted the payment of

Q. 503. 11 *l.* 14 *s.* for bookbinding made by the Record and Writ Office as a charge against the Vote. The Surplus to be surrendered will therefore amount to 900 *l.* 3 *s.* instead of 911 *l.* 17 *s.*, as stated by the Comptroller and Auditor General.

VOTE 24.—COMMON LAW COURTS, IRELAND.

Q. 146. 40. Treasury sanction has been given for the payments for extra services adverted to under this Vote.

VOTE 26.—LANDED ESTATES COURT, IRELAND.

Q. 149. 41. The balance, 54 *l.* 1 *s.* 6 *d.* of the extra receipts realized in the year 1874-75, appears now to have been paid into the Exchequer.

CLASS IV.

VOTE 1.—PUBLIC EDUCATION, ENGLAND AND WALES.

Q. 150. 42. Your Committee refer to their observations upon Vote 9 in this Class.

VOTE 2.—SCIENCE AND ART DEPARTMENT FOR THE UNITED KINGDOM.

43. The Comptroller and Auditor General has objected to the payment of a sum of 21 *l.* to Mr. Moody, a salaried officer of the Department of Science and

Q. 160. Art at South Kensington, for the delivery of certain lectures, the Treasury having not only refused to sanction the payment, but contending that the terms

Q. 167. of Mr. Moody's appointment preclude his being allowed any remuneration for the services in question. It is admitted by the Department of Science and Art

Q. 173, 4. that it was an omission on their part not to apply for the sanction of the Treasury to Mr. Moody's employment as a paid lecturer, but differ with the Treasury as to the conditions of Mr. Moody's appointment.

Appendix. 44. Your Committee, having heard the evidence of Mr. MacLeod, and considered the correspondence presented by him in addition to that which is appended to the Report of the Comptroller and Auditor General, are of opinion that the Committee of Council on Education had ground for the view that Mr. Moody's appointment admitted of his being engaged to deliver the lectures in question for a remuneration, and that the payment for the service he has rendered should be allowed in this particular case. Your Committee are further of opinion that it should be clearly understood that no salaried officer should in any case be engaged or employed at additional remuneration without the previous sanction of the Treasury.

45. The payment of 21 *l.* being allowed, the net Surplus on the Vote to be surrendered will amount to 15,532 *l.* 12 *s.* 8 *d.*, instead of 15,553 *l.* 12 *s.* 8 *d.*, as stated in the Report of the Comptroller and Auditor General.

Vote 7.—University of London.

46. A deficit of 13 *l.* 19 *s.* 10 *d.* has been voted for this service.

Vote 9.—Public Education, Scotland.

47. Your Committee have received, in connection with this Vote and with Vote 1 in the same class, explanations concerning the cases of payments of grants to schools in which inspection had not been held.

48. It appears that the Committee of Council on Education have, at all events since December 1867, exercised, and that the Treasury has admitted, a dispensing power in special cases, where inspection was deferred or prevented through circumstances considered unavoidable. Q. 187—8.

49. The Treasury has, in all such cases, required the voucher of payment to be accompanied by a Special Minute of the Lord President or of the Vice-President of the Council, explaining the circumstances. Q. 188. Q. 207.

50. The payments of this description in the year 1874–75, appearing to be more numerous and of a larger aggregate amount than in any previous year, the Comptroller and Auditor General has called attention to them, and pointed out that they, in fact, contravene a code of regulations approved by Parliament. Q. 189—193.

51. Your Committee are not prepared to say that a dispensing power should not be entrusted to some authority, but they consider that it should only be exercised under strict safeguards. They recommend that the Committee of Council should be required whenever possible to obtain the preliminary sanction of the Treasury to the use of this power, and that in any case, where this may not be possible, the covering sanction of that department should be applied for without delay. Q. 208—213.

52. Your Committee also recommend that a Minute of the Lord President or Vice President stating, and assigning the reason for, each such grant should be furnished to the Comptroller and Auditor General to enable him to report upon payments of this exceptional character.

Vote 15.—National Gallery, Ireland.

53. The Comptroller and Auditor General complains of the manner in which this Account is kept and rendered. For the reasons stated in the Report, instead of a deficit on this Vote, as shown in the Account, there is a surplus to be surrendered of 24 *l.* 10 *s.* 7 *d.* Q. 218.

CLASS V.

Vote 1.—Diplomatic Services.

54. It was stated to your Committee that the Dominion of Canada has refunded its proportion of the expenditure of the North American Boundary Commission for the year 1873–74, and that the Treasury is about to apply for the moiety due from the Dominion for the year 1874–75. Q. 231—6.

55. A deficit of 3,172 *l.* 5 *s.* 11 *d.* has been voted for this service.

Vote 2.—Consular Services.

56. Treasury authority has been given for the allowance to the Consul at Marseilles, adverted to by the Comptroller and Auditor General. Q. 240.

57. A deficit of 645 *l.* 0 *s.* 5 *d.* has been voted for this service.

CLASS VI.

Vote 1.—Superannuation and Retired Allowances.

58. The heading of this Vote requires to be extended, as it is inapplicable to some of the payments included in it.

59. The charge under Sub-head B, declared by the Comptroller and Auditor General to be inadmissible, is allowed to be such, and the error will be rectified. Q. 264.

Vote 2.—Merchant Seamen's Fund, Pensions, &c.

Q. 265—278. 60. The Comptroller and Auditor General calls attention to the acceptance by the Board of Trade of contributions from seamen entitling the contributors to pensions in cases which appear inadmissible under the terms of the Act 14 & 15 Vict. c. 102, sects. 43 and 50. The interpretation of the Act by the Board of Trade appears to be so far doubtful that, although it has been acted upon for many years, your Committee consider that a legal opinion as to its validity should be without delay obtained by the department.

Vote 3.—Relief of Distressed British Seamen Abroad.

Q. 290—304. 61. Your Committee have taken evidence upon the question of the abandonment of claims against shipowners for the repayment of expenses adverted to by the Comptroller and Auditor General, and discussed at length in the correspondence appended to his Report. In view of that correspondence, and of the evidence, the Committee are of opinion that the best and plainest course Q. 302. 315. 318. will be to lay down a rule that no claim once advanced shall be abandoned without the approval of the Treasury.

62. Attention is called by the Comptroller and Auditor General to the apparent inconsistency in the mode of dealing with the effects of seamen dying abroad, when the effects are sent home to the friends of the deceased and when Q. 279—288. they are disposed of by sale, and the proceeds realised are sent home. In the latter case, expenses incurred for the relief of the deceased are deducted from the proceeds; in the former case no charge is made to his friends. Your Committee having heard the explanations of the Board of Trade are not prepared to recommend a departure from the established practice in cases where the effects themselves are returned.

63. A deficit of 2,185 *l.* 16 *s.* 1 *d.* has been voted for this service.

CLASS VII.

Vote 2.—Deep-Sea Exploring Expedition.

64. A deficit of 361 *l.* 14 *s.* 11 *d.* has been voted for this service.

NAVY APPROPRIATION ACCOUNT.

65. Section 1.—The Comptroller and Auditor General observes, that the balances due to certain contractors for machinery were, in the year 1874–75, charged to Sub-head I. (Contingencies for Machinery) of Vote 11, whereas the advances for the same Services in 1873–74, or in preceding years, were charged to other Sub-heads of the same Vote. He objects to the course adopted, that the charge for one and the same Service not appearing under the same Sub-Q. 328. head it becomes more difficult to trace the cost thereof. The Accountant General of the Navy admits that there is force in the objection, and agrees in principle with the Comptroller and Auditor General; he adds, that in cases in Q. 331. 349. 352—4. which he can foresee that a certain balance will come in course of payment he estimates for it under the same Sub-head as the advance; where, however, a particular balance which he has not been able specially to estimate for, not Q. 330. foreseeing that it would come in course of payment does so come, he contends Q. 335—338. Q. 331—335. that he is precluded by the Appropriation Act from charging it to any Sub-head but that of "Contingencies." The Audit Office contend that the Sub-heads are comprehensive enough to allow of the charge for the balance, although its coming in course of payment in the year was not foreseen, to be carried to the same Sub-head as the preceding payment for the same Service. The Treasury support this view, and consider that the Accountant General of the Navy places too narrow an interpretation upon the terms of the Appropriation Act, and construes it as appropriating the amounts mentioned under different Sub-heads of a Vote in the Estimates with the same strictness as the amount of the Vote itself.

66. Your

66. Your Committee concur with the opinion expressed by the Audit Office and the Treasury, and recommend that the payment of the balance should, in the present instance, be charged to the same Sub-head as the prior payment for the same service.

67. Section 2.—The Comptroller and Auditor General points out that a particular payment of 12 *l.* 10 *s.* for passage money should not have been treated as a final charge against the Vote, but as an imprest, inasmuch as it was apparent that the whole amount would be repaid. The Accountant General of the Navy admits that there was every reason to expect repayment, and the Committee concur in the view of the case taken by the Comptroller and Auditor General. Q. 358. 363.

68. Section 3.—The suggestion approved of by the Committee on Public Accounts, in their first Report of last year, that with the view of bringing about a settlement of the long outstanding accounts between the Admiralty, the War Office, and the India Office, representatives of the departments concerned should meet, has been carried into effect by the appointment of an official Committee, which has, it is stated, made an elaborate Report, and it is believed that a final agreement will shortly be arrived at. Q. 378.

69. Section 4.—Your Committee are disappointed to learn that no settlement of the vexed question of Extra Receipts has been decided upon, and fear that some time may yet elapse before one is reached. Such further delay would, in the opinion of your Committee, be much to be deprecated. The question, though undoubtedly one of great difficulty, has now been under consideration for many years, and it is most desirable that a uniform and intelligible principle should be established throughout the various Public Services as soon as possible. A Paper on this subject, prepared by Mr. Walker, the Accountant General of the Navy, appears in the Appendix. Q. 302—386.

70. Section 5.—Your Committer defer any observations upon the progress of the scheme of a Test Audit of Naval and Military Accounts, adverted to in their First Report of last year, anticipating that further information will be afforded them when they proceed to the examination of the Army Appropriation Accounts. A Paper on this question, also by Mr. Walker, will be found in the Appendix. Q. 388. Q. 391.

71. Sections 9. 10.—Your Committee in their First Report last year, observed upon the large deficit on the Navy Estimates for the year 1873–74, and expressed the opinion that the serious consideration of the Treasury and of the Admiralty should be given to the circumstance of so large an excess having been incurred. They regret to find that a deficit of 238,255 *l.*, in round numbers, an equal amount, has occurred on the Estimates for the year 1874–75. They note that in the last-named year, as in the one preceding, the excesses arise principally upon Vote 2 (Victuals for Seamen), and Vote 10 (Naval Stores, &c.) First Report of Committee, 1875, ss. 92, 93, 99.

72. Your Committee again observe, as in their Report of last year, that the circumstance of the insufficiency of the provision for the year was not brought under the notice of Parliament, either before the close of the financial year (1874-75) or in the course of the Session. First Report, s. 94.

73. The Accountant General of the Navy was examined by your Committee at considerable length upon both these points; and his evidence and an elaborate Paper presented by him, are appended to this Report. His explanations of the immediate cause of the excesses, add little or nothing to those that appear in the Statement of the Surpluses and Deficits upon the Grants for Naval Services that accompany the Report of the Comptroller and Auditor General. He accounts for the delay or omission to bring the deficit under the notice of Parliament, as he accounted for the same delay or omission in the preceding year, viz., that it was hoped that the deficits apparent on some Votes would on the whole be counterbalanced by the surpluses on others; and adds, that in 1874-75, as in 1873–74, this hope was disappointed. At the same time he admits that in January 1875 the Admiralty believed that a deficit of about 20,000 *l.* was to be expected over the aggregate of the Navy Grants; that in March 1875 the Admiralty was aware that the deficit would probably amount to 140,000 *l.*; and that in July the department was prepared to anticipate that the deficit would extend to 250,000 *l.* or 240,000 *l.* The Report of your Committee last year shows that the course of things in 1873–74 was very similar. Appendix. Q. 398. First Report of Committee, 1875, ss. 96, 97. Q. 411—418. 430. 472. 476. Q. 482. 485. Appendix—Letter of Admiralty to Treasury.

74. Your Committee think it right to call attention to the habitual use made by the Admiralty of the power of applying, with the consent of the Treasury, surpluses on certain Votes to meet deficiencies on others. Reliance upon this power has led the Admiralty, as stated by the Accountant General of the Navy, in two successive years, to delay applying for a Supplementary Estimate to cover expenditure in excess of that provided for by Parliament.

Q. 416–18.

75. This course of proceeding unless strictly guarded, must to a great extent render nugatory the control of the House over the separate Votes. In a service like that of the Navy, where unforeseen demands must from time to time arise, some such power is undoubtedly necessary; and the provision of the yearly Appropriation Act, which requires the consent of the Treasury to its exercise, is intended to guard against its unnecessary use.

76. This object does not appear to your Committee to have been fully attained, as in some cases the consent of the Treasury is not applied for until after the excess of expenditure has been incurred, and it is absolutely necessary that it should be defrayed. For instance, in August 1874 the Admiralty was aware that there would probably be a large excess on Vote 10, Section 1, but it does not appear that at that time the sanction of the Treasury to apply probable surpluses on other votes to met this excess was applied for.

Appendix—Letter of Admiralty to the Treasury.

77. We are of opinion that the Treasury should be informed, at the earliest practicable date, of any probable excess on a vote, and that its consent should at the same time be asked to defray such probable excess from surpluses anticipated on other specified Votes.

Q. 398. 402—419, 420. 435—440. 479.

78. The Accountant General for the Navy has this year offered a further reason to account, at least so far as he is concerned, for the unsatisfactory result of the year's finance, viz., that under arrangements made in the Admiralty in 1869, the Accountant General ceased to receive adequate information of the basis on which the estimate of the Votes was founded to enable him to judge of their sufficiency, or adequate information as to liabilities in process of being incurred to enable him to judge from time to time of the financial position and prospects of the year. Your Committee have not felt it part of their duty to inquire into the internal arrangements, past or present, of the Admiralty; but they cannot but observe that a Statement of Naval Surpluses and Deficits extending over 13 years, from 1862–63 to 1874–75 inclusive, does not appear satisfactorily to bear out this explanation of Mr. Walker; inasmuch as that statement shows that Surpluses and Deficits, both on the aggregate of the Naval Votes, and on Vote 10 in particular, occurred about equally in the period before the regulations complained of by Mr. Walker were introduced, and in the subsequent period.

Appendix—Statement, &c.

Q. 398.
Appendix—Memorandum.
Q. 491.

79. New regulations have, however, recently been made at the Admiralty, and are embodied in a Memorandum of the First Lord. They are stated to have resulted from the evidence taken before a Treasury Committee which has been engaged on an inquiry into the subject of Naval Stores.

80. Mr. Walker approves of these regulations, which he considers have the effect of replacing the Accountant General in the position he occupied before 1869; and Mr. Mills, a Treasury Officer of Accounts, who was a member of the Committee above-named, states in the strongest terms that under the new arrangements no such excess on the Store Vote should recur, and no such condition of affairs as that brought before your Committee in regard to the total of Naval Expenditure should arise hereafter.

Q. 398. 434. 481.
Q. 491. 492.

81. A deficit of 238,255 *l.* 4 *s.* 6 *d.* has been voted for this service.

Greenwich Hospital and School Account.

82. A deficit of 3,718 *l.* 18 *s.* 11 *d.* has been voted for this service.

24 *March* 1876.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 8th March 1876.

MEMBERS PRESENT:

Mr. Dodson.	Mr. Thomson Hankey.
Mr. Cubitt.	Sir Walter Barttelot.
Lord Eslington.	Sir Charles Mills.
Mr. Seely.	Lord Frederick Cavendish.
Mr. William Henry Smith.	Mr. Goldney.

Mr. DODSON was called to the Chair.

The Committee considered the Civil Service Appropriation Accounts, Classes I.—VII.

Mr. *Reginald E. Welby*, Mr. *Charles L. Ryan*, Mr. *Algernon B. Mitford*, Mr. *John Mason*, Mr. *A. G. C. Hamilton*, Mr. *Norman MacLeod*, Sir *Francis R. Sandford*, and Mr. *Francis B. Alston*, were examined.

In Class III., Vote 23 was postponed.

In Class IV., Vote 2 was postponed.

[Adjourned till Friday next, at Two o'clock.

Friday, 10th March 1876.

MEMBERS PRESENT:

Mr. DODSON in the Chair.

Mr. Cubitt.	Lord Frederick Cavendish.
Mr. Seely.	Sir Charles Mills.
Mr. William Henry Smith.	Lord Eslington.
Sir Walter Barttelot.	Mr. Goldney.
Mr. Thomson Hankey.	

The Committee considered the Navy Appropriation Account and the Greenwich Hospital and School Account.

Mr. *Reginald E. Welby*, Mr. *Charles Lister Ryan*, Mr. *Henry R. W. Walker*, Mr. *George M. Edwards*, and Mr. *R. Mills*, were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 15th March 1876.

MEMBERS PRESENT:

Mr. DODSON in the Chair.

Mr. Cubitt.	Sir Walter Barttelot.
Lord Eslington.	Sir Charles Mills.
Mr. Seely.	Lord Frederick Cavendish.
Mr. William Henry Smith.	Mr. Goldney.

The Committee considered the postponed Vote 23 in Class III. of the Civil Service Appropriation Accounts, also the postponed Vote 2 in Class IV., and also the Accounts of the Revenue Departments.

The Army Appropriation Account was considered, and postponed.

The Army Purchase Commission Appropriation Account, and the Woods and Forests Appropriation Account, were also considered.

Mr. *Reginald E. Welby*, Mr. *Charles L. Ryan*, Mr. *Algernon B. Mitford*, Mr. *George L. Ryder*, Mr. *Stevenson A. Blackwood*, Sir *Edward Lugard*, and Mr. *James C. O'Dowd*, were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 22nd March 1876.

MEMBERS PRESENT:

Mr. DODSON in the Chair.

Mr. O'Reilly.	Mr. William Henry Smith.
Mr. Cubitt.	Sir Walter Barttelot.
Lord Eslington.	Sir Charles Mills.
Mr. Goldney.	Lord Frederick Cavendish.
Mr. Seely.	

The Army Purchase Commission Appropriation Account was further considered, as well as the Post Office Appropriation Account.

The Consolidated Fund Account was also considered.

Sir *Edward Lugard* and Mr. *Reginald E. Welby* were examined.

The Committee deliberated.

DRAFT REPORT proposed by the Chairman, read the first and second time, and considered paragraph by paragraph, and *agreed to*, with Amendments.

[Adjourned till To-morrow, at half-past Three o'clock.

Thursday, 23rd March 1876.

MEMBERS PRESENT:

Mr. DODSON in the Chair.

Mr. O'Reilly.	Sir Walter Barttelot.
Mr. Goldney.	Sir Charles Mills.
Mr. Seely.	Lord Frederick Cavendish.
Mr. William Henry Smith.	

New paragraphs added to the Draft Report.

Question, That this Report, as amended, be the First Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence, and Appendix.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Wednesday, 8th March 1876.

MEMBERS PRESENT:

Sir Walter Barttelot.	Mr. Goldney.
Lord Frederick Cavendish.	Mr. Thomson Hankey.
Mr. Cubitt.	Sir Charles Mills.
Mr. Dodson.	Mr. Seely.
Lord Eslington.	Mr. William Henry Smith.

THE RIGHT HONOURABLE JOHN GEORGE DODSON, IN THE CHAIR.

APPROPRIATION ACCOUNTS FOR CIVIL SERVICES, 1874-75.

Mr. REGINALD EARLE WELBY, C.B.; Mr. CHARLES LISTER RYAN; Mr. ALGERNON BERTRAM MITFORD; and Mr. JOHN MASON, called in; and Examined.

CLASS I.

On Vote 1.—ROYAL PALACES.

Chairman.

1. (To Mr. *Mitford.*) THE Comptroller and Autor General calls attention to a sum 2 *l.* 10 *s.* 4 *d.* paid on account of the Lord Chamberlain's Department; what is the explanation as to that?—It was a book-keeper's error, and the amount in question has been recovered from the Lord Chamberlain's Department; the deficit as corrected by the Comptroller and Auditor General is admitted by our department.

2. (To Mr. *Ryan.*) Then if the payment is disallowed here, to what account will it be carried?—It will be a charge on the Lord Chamberlain's Department of the Civil List.

On Vote 2.—ROYAL PARKS AND PLEASURE GARDENS.

3. (To Mr. *Mitford.*) Will you explain how this contribution towards the erection of a new church comes under the head of "maintenance" of the parks?—We had no Sub-head under which it would naturally fall. It was a contribution made by us as important landowners in the neighbourhood, and it was put under "maintenance" for want of a better Sub-head to put it under. The Treasury have called attention to it, and have told us that in future such contributions should go under "contingencies and incidental expenses."

Vote 2.—Royal Parks and Pleasure Gardens—*continued.*

Chairman—continued.

4. What park does this payment connect itself with?—With Richmond Park.

Lord *Eslington.*

5. Would it not have been better to have created a Sub-head for it?—I think it would; but that did not occur to the Accounting Officer at the time.

Chairman.

6. Is there any precedent for contributions of this kind in connection with a park?—I am not sure that there is a precedent for such a contribution as this.

7. (To Mr. *Mason.*) Do you recollect any precedent?—No, I have no recollection of any.

Mr. *Seely.*

8. (To Mr. *Mitford.*) Who ordered the payment in this case?—The Treasury authorised it.

Chairman.

9. (To Mr. *Welby.*) Can you mention any precedent for this grant?—There have been several precedents for such grants, of which I can mention four to the Committee; there was a grant of 50 *l.* made to Ham Church in 1859; there was a grant of 25 *l.* made to a church near Robin Hood Gate in 1860; there was a grant of 100 *l.* made to a church at Rochampton in 1862;

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Mitford*, and Mr. *Mason*.

8 March 1876.

APPROPRIATION ACCOUNTS—Class I.

Vote 2.—Royal Parks and Pleasure Gardens—*continued.*

Chairman—continued.

and there was another grant of 100*l.* made to a church at East Sheen in 1863.

Sir *Walter Barttelot.*

10. Those were all round Richmond Park?—Yes; all in the neighbourhood of Richmond Park.

On Vote 3.—PUBLIC BUILDINGS.

Chairman.

11. (To Mr. *Mitford.*) The Comptroller and Auditor General observes with respect to "Government Buildings, Isle of Man," that certain expenditure is annually repaid out of the revenues of the island; is that the case?—Yes.

12. I suppose there would be no difficulty in making a note upon the estimate to that effect?—No; I suppose the Treasury would not object to that. (Mr. *Welby.*) There would be no objection to that at all.

On Vote 6.

NEW HOME AND COLONIAL OFFICES.

13. (To Mr. *Mitford.*) I observe in connection with this Vote that there appears to have been a very large difference between the grant and the expenditure; it was a difference on the right side, but how is that great difference accounted for?—It is explained immediately below the account, that the towers which formed part of Sir Gilbert Scott's original design have never been assented to either by the First Commissioner or by the Treasury; the plan is still under consideration, in fact.

14. Then if they were not assented to, how came they to be included in the estimate?—They were struck out, and a sum was inserted for the completion of the angles.

15. It appears that a Vote was taken of a sufficient amount to include the erection of the towers, and then the expenditure has been far below the grant, partly, as it is explained, because the works in connection with the towers have been suspended?—The Vote included the completion of the angles, but, I think, both the last Government and the present objected to the towers.

16. Then how came a Vote to be taken including them?—They were included in the original amount sanctioned, but afterwards struck out.

Mr. *W. H. Smith.*

17. Was it not the fact that the original estimate upon which the Vote was taken, did include the cost of the towers?—Yes; I believe it did.

18. And that that original estimate was sanctioned by the Government of the day?—I believe it was.

19. Is it not the fact that the late Government or the late First Commissioner objected to the carrying out of this particular work, and required that it should be abandoned?—Yes, I believe so.

APPROPRIATION ACCOUNTS—Class I.

Vote 6.—New Home and Colonial Offices—*continued.*

Chairman.

20. That accounts for part of the large discrepancy; but it is also in part accounted for by "the state of the buildings not allowing of the progress anticipated in furnishing;" how is that explained?—The buildings were not in a condition in which it would have been advisable to go on with the furnishing; there was a great deal of damp in the buildings, and practically it was found impossible to put the new departments in as soon as was anticipated.

21. Could not that have been foreseen at the time when the Vote was being taken?—The architect, who is our responsible officer in these matters, gave us no reason to foresee that there would be any difficulty whatever. He certified to the work as it went on; and we had no knowledge, certainly no official knowledge at any rate, of any defect there might be in the work until the building was handed over to us.

22. I presume it is always the object of the department that the Vote taken should as far as possible correspond with the expenditure of the year; that no more should be voted than is required?—It is not only the desire, but it is the endeavour of the department, to fulfil those conditions as accurately as possible.

On Vote 7.

SHERIFF COURT HOUSES, SCOTLAND.

23. In this case, again, I perceive there is a great discrepancy between the grant and the expenditure on both the Sub-heads of the Vote; how is it accounted for?—It is accounted for by the accounts not having been rendered in the case of Aberdeen; and in the case of Sub-head B., it is accounted for by the irregularity with which the Clerks of Supply send in their accounts. I do not think that there is any other explanation to be given.

24. (To Mr. *Mason.*) But how came it that the accounts from Aberdeen were not rendered?—The Sheriff Court Houses in Scotland stand in a different position to our public buildings. The accounts for them are rendered by the Commissioners of Supply; and until those accounts are so rendered, we are unable to deal with them.

25. But have you no means of putting pressure upon the Clerks of Supply to render those accounts more regularly?—I believe we have none. (Mr. *Mitford.*) We write to them continually.

26. (To Mr. *Mason.*) Has any department power over them?—Not that I am aware of.

27. Are they often irregular in rendering their accounts?—Yes, very.

Lord *Eslington.*

28. Could they refuse to render them altogether?—I apprehend not. The Treasury in all probability could put pressure upon them.

Chairman.

29. (To Mr. *Welby.*) Has the Treasury any power, direct or indirect, of forcing the Clerks of Supply to render their accounts more regularly?—I think we could not do more than write to them and press upon them the necessity of rendering

APPROPRIATION ACCOUNTS—Class I.

Vote 7.—Sheriff Court Houses, Scotland—*continued.*

Chairman—continued.

ing their accounts; our idea would probably be that the Commissioners of Supply would themselves be only too glad to get paid as soon as they could, and that therefore it might safely be left to them to render their accounts as soon as possible.

Mr. *W. H. Smith.*

30. Is it not the fact that the whole expenditure for these Sheriff Court Houses is incurred in the first instance by the Commissioners of Supply?—Yes.

31. And that until they render their accounts they are not paid any portion of it?—That is so.

32. That is the only pressure that the Treasury could bring to bear upon them?—Yes.

Mr. *Goldney.*

33. (To Mr. *Mitford.*) What other spending departments have the Commissioners of Supply control over?—None, except these Sheriff Court Houses; I can only answer, of course, as regards the Office of Works.

Mr. *Thomson Hankey.*

34. (To Mr. *Mason.*) From what sources are the funds supplied for carrying on these public buildings?—I am not aware what funds the Commissioners of Supply have for that purpose.

35. Is it derived from local rates?—I cannot answer that question.

36. (To Mr. *Welby.*) Can you give us information upon that point?—I believe that payment is made out of Local Funds, and the Commissioners of Supply are repaid by the Government upon the presentation of the accounts.

Chairman.

37. (To Mr. *Mitford.*) The erection of new Sheriff Court Houses in Scotland is coming to an end, is it not?—It must gradually be exhausted.

38. Is it not supposed to be very nearly exhausted now?—I have heard indirectly that new applications for Sheriff Court Houses would be made, but it has only come to my knowledge in a perfectly indirect manner, that it was in contemplation to do so.

39. Then we shall not see that Sub-head of the Vote disappear yet?—I should think not; and there would always be expenditure for maintenance.

On Vote 8.

NATIONAL GALLERY ENLARGEMENT.

Lord *F. Cavendish.*

40. In this case it appears that "an increased expenditure for the erection of the building was sanctioned by the Treasury, but provision to meet this expenditure was inadvertently omitted to be made in the Estimates;" can you say whether that was the fault of the Board of Works, or whether it was an oversight of the Treasury?—I think it was an oversight of the Board of Works at the time the Estimate was prepared.

APPROPRIATION ACCOUNTS—Class I.

On Vote 11.

POST OFFICE AND INLAND REVENUE BUILDINGS.

Chairman.

41. Under Sub-head M. there appears to have been an omission; can you explain that?—I believe it arose in this way: a gentleman came from the Treasury and saw the then Director of Works upon the subject, and he offhand made a guess estimate of 7,000 *l.*, which proved to be entirely insufficient.

42. The explanation furnished here is, that "the fact was overlooked that the payments by this department in previous years on account of Telegraph Services included the costs of the repairs of furniture, and of the supply of fuel," and so on?—Yes, it is so; but it arose, I believe, exactly as I have said.

Mr. *Goldney.*

43. A rather larger question arises here. I see that the repairs and maintenance of Telegraphs come, within a very small fraction, to nearly two-thirds of the repairs and maintenance of the Post Office. Under Sub-head B., it appears that the maintenance and repairs were estimated at 27,000 *l.*, and the expenditure came to 35,964 *l.* 14 *s.* 2 *d.*, that was for the Post Office. Then under Sub-head M., it appears that the "ordinary maintenance and repairs" of the Telegraphs were estimated at 7,000 *l.*, and the expenditure amounted to 22,496 *l.* 3 *s.* 9 *d.*?—Yes, the variation was 15,496 *l.* 3 *s.* 9 *d.*

44. Taking the gross expenditure for the Telegraphs, including the repairs of furniture, the supply of fuel, the ordinary repairs and so on, it is two-thirds of the whole of the Post Office expenditure for maintenance and repairs?—Yes.

45. (To Mr. *Welby.*) Under this Vote the whole of these large excesses of 15,000 *l.* and 8,000 *l.* upon the Sub-heads for "Maintenance and Repairs," are, practically, paid out of the grant for "New Works and Alterations" of the Post Office?—Yes.

46. That is to say, instead of surrendering the whole amount unexpended upon "New Works," a sum of nearly 24,000 *l.* is, without the knowledge of Parliament, appropriated in that way?—Yes.

47. Did the Treasury, when the application was made to them, take any notice of that large amount?—At the time when this Estimate was in course, that is to say, in the year to which it applies, there was a considerable discussion going on between the Post Office and the Treasury, as to the apportionment of expenditure between the Post Office proper and the Telegraphs. The Treasury were, I think I may say, generally for a more close apportionment and a larger apportionment of the expenditure to the Telegraphs than the Post Office had thought necessary. I have not the papers before me, and therefore I am not able to say with certainty, but I take it for granted that what was done in this case was the effect of a decision given in the course of the year by the Treasury, by which larger sums were brought to charge against the Telegraphs.

48. When you were coming to Parliament for a very large grant in excess for Telegraphs, ought

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Mitford*, and Mr. *Mason*.

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APPROPRIATION ACCOUNTS—Class I.

Vote 11.—Post Office and Inland Revenue Buildings—*continued*.

Mr. *Goldney*—continued.

not a sum like this 15,000 *l.* to have come into that grant, so as to have brought the matter prominently before Parliament, instead of appropriating Post Office Buildings money to that purpose?—It has been ruled that these buildings are to be under the Board of Works, and therefore the Estimate for them must be presented by the Board of Works. The Treasury hold that in order to obtain a view of the real Telegraph expenditure, reference must be made to what we call the Profit and Loss Account, in which it has been endeavoured to gather together from all quarters the expenditure incurred on account of the Telegraphs, and to submit it in the form of a balance sheet to Parliament.

49. (To Mr. *Mitford*.) What I want to get at for the information of the Committee is, what portion of the expenditure the Office of Works takes, as distinguished from the Post Office for Telegraphs; you say this portion of the expenditure has been ruled to belong to the Office of Works; but the Post Office makes a very large expenditure for repairs of Telegraphs also. Have you any return at the Office of Works of the number of separate offices for Telegraphs, independent of the Post Office, I mean separate buildings?—I could not tell you offhand.

Mr. *W. H. Smith*.

50. Is it not the fact that this item includes both separate buildings and works carried out specifically for the Telegraph Department of the Post Office, and also works carried out for the Post Office generally, a certain proportion of the total cost of these works being allotted to the Telegraphs, and another proportion to the Post Office?—I believe that that is so; I do not quite know how the Estimate was framed.

51. On what principle do you account for the expenditure now; do you account for it in the way that I have explained, that is to say, there being work carried out specifically for the Telegraph Department, such as additions to Post Offices for the purposes of the Telegraph Department, and there being also re-construction and re-arrangement of Post Offices, a certain amount of charge is arrived at as against the Post Office proper, and another amount as against the Telegraphs proper?—Yes.

Mr. *Goldney*.

52. It is actual expenditure?—Yes, it is the actual expenditure.

53. For the purposes of the Telegraphs?—Yes.

Chairman.

54. That is to say, it is an approximate division of the expense as between the Telegraphs and the Post Office?—It purports to be an approximate division.

Lord *Eslington*.

55. Supposing that a building is used for the double purposes of the Post Office and the Telegraphs, how would you then apportion the amount of charge in respect of such building to the two departments using that building?—It must always be an approximate estimate, and one arbitrarily

APPROPRIATION ACCOUNTS—Class I.

Vote 11.—Post Office and Inland Revenue Buildings—*continued*.

Lord *Eslington*—continued.

calculated at the best of times; it was suggested that one-third to Telegraphs and two-thirds to the Post Office would be a good general division to take.

56. That was merely a rough and ready mode that you adopted?—It has been so taken, but I have had a conference upon this subject with Mr. Tilley and Mr. Blackwood, and I hope we shall arrive at some better mode of dealing with the question, subject to the Treasury's sanction.

Mr. *Goldney*.

57. In the Votes themselves the whole expenditure for the sites and erection of buildings is put down to the Post Office separately, is it not?—The Post Office purchase the sites subject to the Treasury sanction; we erect the buildings.

58. But in your estimate you carry in the whole cost of erection of buildings against the Post Office, and do not divide it?—I think that that is owing to the fact that up to the present time the officers in charge of the technical department in the Office of Works did not hold it to be practicable or advisable to make such a division, but in the Estimates for 1876-77, which are the first Estimates that have been prepared under my charge, you will find that the division is made, and henceforth it will always appear; there have been errors in the past, but they will be corrected in future.

Chairman.

59. We were told last year that no distinction had been made up to that time at the Office of Works, between expenditure for the Post Office and expenditure for the Telegraphs, but that in future that distinction would be made?—Yes, that was the case, and you will find that since then in the Estimates for 1876-77 I have caused that distinction to be made in the case of every building.

Mr. *Seely*.

60. In future if a new site is purchased for the Post Office and a portion of it is occupied for the Telegraphs, the increase of cost which is due to the Telegraphs will be charged to the Telegraphs?—I presume that the Post Office will do that, but that expenditure being entirely under the control of the Post Office it is impossible for me to express an opinion upon it.

Chairman.

61. You have nothing to do with the purchase of sites, nor with the purchase of complete buildings?—We have nothing to do with it beyond this, that our surveyors are constantly called in; they advise upon the sites, but the purchase is distinctly in the hands of the Post Office.

62. The purchase money is charged to the Post Office?—Yes; we have nothing to do with it.

63. You have merely to do with the erection and the maintenance?—We are mere builders.

On Vote 13.—COUNTY COURT BUILDINGS.

Mr. *Goldney*.

64. The question the Chairman has just put to

APPROPRIATION ACCOUNTS—Class I.

Vote 13.—County Court Buildings—*continued.*

Mr. *Goldney*—continued.

to you arises here again; whether you have anything to do with the purchase of sites?—Certainly we have, apart from the Post Office; we were talking purely of the Post Office just now; the site referred to in this account is a site for a county court; that is quite a different matter.

Mr. *Thomson Hankey.*

65. There is a note of the Comptroller and Auditor General with regard to Sub-head A., to the effect that an expenditure of 13,000 *l.* ought, in his opinion, to have been shown under a separate Sub-head?—The answer to that is that it is not thought advisable, pending negotiations, to publish the amount which you are ready to give, because it might considerably affect those negotiations. I believe the Committee on Public Accounts have desired that it should be done, but in a case of this sort it would be distinctly prejudicial to the public interest; it would be showing our hand to the enemy.

Chairman.

66. That is an objection to showing an estimate for a purchase of a site under a distinct Sub-head?—It is; it might very seriously prejudice us in the purchase if it appeared during the negotiations.

Lord *F. Cavendish.*

67. In the account there can be no reason why it should not be separately entered?—No, except that it must be brought to account under the Sub-head under which the money was voted; we could make a note of it upon the account, but we must always charge the expenditure to the Sub-head under which the money was voted.

68. (To Mr. *Welby.*) Are there not some cases in which, after a Sub-head in a Vote, we will say Sub-head A., there is given an A^1 or A^2 immediately below it in the Account, distinguishing a certain part of the expenditure from the rest?—In some of the very large Estimates, such as the Post Office Telegraphs, I think you will find that there are certain Sub-heads which are numbered A^1, A^2, A^3, A^4, but in the small estimates it is not the rule to do it; it is the case, however, that such a sub-division does sometimes take place.

Mr. *W. H. Smith.*

69. (To Mr. *Mitford.*) There would be no public disadvantage, would there, if to Sub-head A. "New Works and Additions," "Purchase of Sites" were added, so that the Sub-head would then be "Sites, New Works, and Additions"?—There would be no objection whatever to that, because it would be perfectly vague. The object is to keep it perfectly vague. Our objection to mentioning a sum in the case of this 13,000 *l.* for Owen's College was, that it would be showing our hand.

Lord *F. Cavendish.*

70. What I referred to is exemplified on page 182; there we find D, and immediately after D^2, for certain items which it was thought unadvisable specially to mention in the first instance?—Yes.

APPROPRIATION ACCOUNTS—Class I.

Vote 13.—County Court Buildings—*continued.*

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Mitford*, and Mr. *Mason.*

8 March 1876.

Mr. *W. H. Smith.*

71. In the event of the Committee deciding that sites should form part of Sub-head A. the account might show the expenditure upon the sites?—Yes.

Chairman.

72. There would be no objection in your view if Sub-head A. were altered to "New Works, Additions, and Sites," and a lump sum taken for them in the Estimates?—No.

73. And then in the subsequent account the expenditure on sites would be distinguished from the rest?—That might be done perfectly well. That would meet every objection.

74. In paragraph 3 of the Comptroller and Auditor General's Report upon this Vote, he calls attention to a claim for compensation which has been charged under "repairs"?—Yes; we thought it was rightly chargeable to that Sub-head.

Mr. *Goldney.*

75. It was for repairing a man's leg, in fact?—Yes, just so.

Lord *Eslington.*

76. That compensation was paid upon the ground that you were responsible for keeping the building in proper repair, I suppose?—Yes, and there was nothing else to which the expenditure could possibly be charged; the accident arose from one of the traps in the street being out of repair; it was distinctly chargeable to the repairs of that trap.

Chairman.

77. The accident was caused by the insufficient repairs of the building?—Yes; it was owing to the opening of a coal trap.

On Vote 14.

SCIENCE AND ART DEPARTMENT BUILDINGS.

Mr. *Goldney.*

78. (To Mr. *Welby.*) If a portion of the savings under this Vote had not been appropriated to the Auxiliary Museum in the East of London, the whole amount would have been surrendered of course?—Yes.

79. Does the Treasury consider that it has a general right to appropriate savings upon new buildings to anything else in the same department, without there being an item for it in the Estimates?—If a department finds it necessary to incur any expenditure during the course of the year, and the Treasury think it necessary to sanction that expenditure, they would sanction the raising of a new Sub-head under the proper Vote to which that expenditure belonged.

80. Provided it was applicable to Science and Art, that would be sufficient as regards the Vote?—This would be a Science and Art building, and if the Government thought it necessary to go on with the building they would have to raise a new Sub-head for the purpose.

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Mitford*, Mr. *Mason*, and Mr. *Hamilton*.

8 March 1876.

APPROPRIATION ACCOUNTS—Class I.—*continued.*

Mr. ROBERT GEORGE CROOKSHANK HAMILTON, called in; and Examined.

On Vote 16.

HARBOURS, &c. UNDER THE BOARD OF TRADE.

Chairman.

81. (To Mr. *Hamilton.*) HAS Alderney now been transferred to the Admiralty?—Yes.

Lord *Frederick Cavendish.*

82. But it had not been transferred at the date of this payment, I suppose?—I think this payment was made after the date of the transfer; we had Treasury authority to charge the whole of the expenditure up to March against the Vote, and there was a small sum of 8*l.* 9*s.* 6*d.*, which was paid by us after the Order in Council passed under the Act transferring the service to the Admiralty; it ought not, therefore, to have been charged to this Vote.

Chairman.

83. This 8*l.* 9*s.* 6*d.* was expenditure incurred after the 20th October 1874, when Alderney had been transferred to the Admiralty?—Yes; it was incurred under Treasury authority, but it was not observed that it was subsequent to the date of the Order in Council; the Treasury authority gave us permission to charge up to March; of course that was given before the Act was passed.

84. Then the payment was authorised before the transfer, but was made after the transfer; was that it?—I am not aware that that was so; I think this payment ought not to have been made by us, it ought to have been made by the Admiralty. (Mr. *Welby.*) Perhaps I may be allowed to state that the adjustment has been made now by the Admiralty.

On Vote 17.—PORTLAND HARBOUR.

85. A point is raised by the Comptroller and Auditor General in paragraph 2, in respect to naval funds not having been repaid any portion of the advances made on account of this service; has that repayment been made since the Report?—Yes, it has.

On Vote 19.

RATES ON GOVERNMENT PROPERTY.

Lord *Eslington.*

86. (To Mr. *Welby.*) I imagine this was the first estimate framed for this particular service after the passing of the Act, was it not?—Yes, after the time when the Government undertook a larger charge.

On Vote 20.—WELLINGTON MONUMENT.

Mr. *Seely.*

87. Can you tell the Committee what the total original estimate for the Wellington Monument was?—I cannot tell you off-hand.

88. Do you remember what the date of it was?—No, I do not; I can furnish you with that information.

89. Can you tell what has been the expenditure?—That will appear from the Estimates; I believe the Estimates I have now before me will give you all the information you require; the

Vote 20.—Wellington Monument—*continued.*

Mr. *Seely*—continued.

original estimate was 14,000*l.*; there was a revised estimate of 21,500*l.*; the total expenditure up to the 31st of December 1873, was 17,506*l.*, and the amount then required for completing the Monument was 4,151*l.*

On Vote 24.—RAMSGATE HARBOUR.

Chairman.

90. (To Mr. *Hamilton.*) On what principle was this contribution given?—It was found for some years that the income arising from dues and rents did not quite meet the expenditure, and we have met the deficiency out of a certain sum of money, a capital sum invested in consols, which we took over from the old trustees, by selling out from time to time; but it was recently determined, with the concurrence of the Treasury, that, instead of getting rid of our capital, we should take a Vote from Parliament every year for the expected deficiency of the income proper to meet the expenditure.

Mr. *W. H. Smith.*

91. Ramsgate Harbour is public property, is it not?—It is.

Lord *Eslington.*

92. The Board of Trade act as trustees of that Harbour?—Yes, Ramsgate Harbour was once under local trustees, but by an Act of 1861, or about that time, it was transferred to the Board of Trade.

93. Did I rightly gather from you that certain moneys were transferred to your keeping at the same time?—Yes, certain moneys and certain lands also.

94. Are those moneys entirely expended now, or is there still a balance remaining?—There is still a balance of about 55,000*l.*

On Vote 26.—PUBLIC BUILDINGS, IRELAND.

Chairman.

95. (To Mr. *Welby.*) Does the same objection to the Sub-head for the purchase of sites for buildings apply here?—There was no estimate for the purchase of sites and buildings in this case.

96. And consequently a new Sub-head K., "Purchase of Sites and Buildings," has been opened?—Yes, a new Sub-head was opened.

97. My question is, does the same objection to having a separate Sub-head for purchase of sites and buildings apply to this Vote, as was stated to apply in the case of the former Vote?—I do not think the objection has been raised to a separate Sub-head appearing upon the account, because the expenditure is complete when the account is made up. The objection raised by the Office of Works in England, as I understand, it was to a separate Sub-head in the Estimates beforehand.

98. In this case was there any separate Sub-head in the Estimate?—No.

99. But the same objection to a separate Sub-head would apply here, I presume?—I should say

APPROPRIATION ACCOUNTS—Class I.

Vote 26.—Public Buildings, Ireland—*continued.*

Chairman—continued.

so; so far as I am aware, it has never been brought before us by the Board of Works in Ireland, but the same argument would apply in their case no doubt.

On Vote 3.—LIGHTHOUSES ABROAD.

Lord *Eslington.*

100. (To Mr. *Hamilton.*) The Comptroller and Auditor General remarks that the vouchers in support of certain claims under this Vote have not been produced although the advances were made in 1858-59; how comes it that so long a time has elapsed and yet these vouchers have not been produced?—They are not producible now; the existence of these claims was only ascertained when we were endeavouring to get a settlement from the Ceylon Government, who had undertaken certain works for the Board of Trade about 15 years ago, or more than that. We wished to clear off a small balance which existed, and we asked the Ceylon Government to receive that amount from us; they then raised these further claims. This was the first we heard of them, but after a great deal of investigation we satisfied ourselves that these claims had not been paid by us before. In the meantime the resident engineer had died, and as we found that both the Colonial Accounts and the Accounts of the Indian Government, who supplied these stores, agreed as to the amount, we considered that it was a proper charge to repay, although we had not got the receipt of our engineer for the stores.

101. I suppose this expenditure was met first of all out of colonial funds, and then repaid by the Indian Treasury?—It was met in the first instance out of Indian funds, and then repaid by the colony, and subsequently repaid by us to the colony.

[Mr. *Mitford* and Mr. *Mason* withdrew.

CLASS II.

On Vote 2.—HOUSE OF COMMONS' OFFICES.

Chairman.

102. (To Mr. *Welby.*) The Comptroller and Auditor General calls attention to certain overpayments in the case of two messengers; has that money been refunded?—Directions have been given to settle this amount; to take it from one man's pension and from some effects due to the other man on his death.

103. The error will therefore be adjusted in the accounts?—Yes.

On Vote 8.—BOARD OF TRADE.

104. (To Mr. *Hamilton.*) A question appears to have arisen upon a payment which had been made to a boy who had been paid as a man, although he was not certified as a man, having failed to obtain his certificate as a man; what position is he in now?—He failed on his first examination, and he is again going up for another examination; he has not yet passed.

APPROPRIATION ACCOUNTS—Class II.

Vote 8.—Board of Trade—*continued.*

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Mitford*, Mr. *Mason*, and Mr. *Hamilton.*

8 March 1876.

Chairman—continued.

105. But meanwhile he is receiving payment as if he had passed?—Yes.

106. (To Mr. *Welby.*) What does the Treasury say to that?—There has been no correspondence with the Treasury on the subject.

107. Then the Treasury have no official knowledge of it?—No.

Mr. *Goldney.*

108. (To Mr. *Hamilton.*) Does the Post Office now bear the whole expense of the telegraphs for the Board of Trade?—Not all; not the foreign telegraphs.

109. It bears all inland telegraphs, but the departments pays the whole expense of foreign telegraphs?—Yes.

Chairman.

110. In the event of this person again failing to pass his examination, what will his position be?—I am afraid we shall have to send him away.

111. In the meantime, under what authority is he receiving this higher payment?—This man was one of a class of, I think, five or six who had been employed as messengers for some time temporarily, and who were sent up to pass as permanent messengers on the establishment, and this was the only one who failed. All the others were for a time in the same position as this man is in at present until he has passed, and he is only longer in that position because he failed the first time.

Lord *Eslington.*

112. But in the event of his not passing, I presume the payment you have made to him as one of your servants, will run the risk of being disallowed?—The man has rendered service for those payments. We should have to go to the Treasury, and ask for a dispensation.

On Vote 15.

REGISTRARS OF FRIENDLY SOCIETIES.

Chairman.

113. (To Mr. *Welby.*) Upon this Vote the Comptroller and Auditor General observes that "the Registrar receives, in addition to his salary as Registrar, 200 *l.* per annum, as barrister for revision of rules of savings banks, which sum is defrayed out" of another Vote, and that there is no note in the Estimates to that effect; is this a permanent payment which he is receiving as barrister for the revision of the rules of savings banks?—It is, I believe, at the present time. It was granted to him permanently at the time of the appointment of the present gentleman.

114. It is not a casual payment for one year only?—I believe not.

115. Then there would be no difficulty in putting a note upon the Estimates in each case?—Certainly not; a note ought to have been put there; it is the wish of the Treasury that such payments should be stated in each case in order to give effect to the recommendation made some years ago by the Public Accounts Committee.

116. Then according to that there would be a note under this Vote, and a note under the Vote for the National Debt Office?—Yes, under both.

117. In

Mr. *Welby*, C.B., Mr. Mr. *Ryan*, and Mr. *Hamilton*.

8 March 1876.

APPROPRIATION ACCOUNTS—Class II.

On Vote 16.

LOCAL GOVERNMENT BOARD.

Chairman—continued.

117. In this case an officer appears to have received a payment under another Vote besides this; is that a payment for this year only or a regular payment?—It is a payment for this year only; it comes under that question of expenses which was raised by the Foreign Office before the Committee last year; I think it was maintained that in certain cases the payments were rather to be looked at in the light of re-payment of expenditure actually incurred than remuneration of the officer.

On Vote 22.—PUBLIC RECORD OFFICE.

118. Upon this Vote the Comptroller and Auditor General observes that there is no note of a second payment to Senor De Gayangos?—That is an omission on the part of the department.

119. There ought to be a note?—Yes; I think it will be necessary to remind the department of the wish of the Public Accounts Committee by means of a circular; I see there are several cases in which they have neglected to comply with the rule.

On Vote 30.—FISHERY BOARD, SCOTLAND.

Lord *Eslington*.

120. (To Mr. *Ryan*.) The Comptroller and Auditor General has reported that a sum of 2 *s*. 1 *d*. is inadmissible as a charge against this Vote?—Yes; but it has been subsequently adjusted.

On Vote 33.

BOARD OF SUPERVISION FOR RELIEF OF THE POOR, AND FOR PUBLIC HEALTH, SCOTLAND.

Chairman.

121. Has the Appropriation Account been submitted to your department since the date of the Report?—The Appropriation Account was received yesterday, and the Report upon it has been drawn out as if it had been received in time; if the Committee will allow me I will hand them in, in order to make the accounts for the year complete.

122. Does any observation arise upon it?—No.

123. Will you hand it in. (*The same was handed in.*)

On Vote 39.

PUBLIC RECORD OFFICE, IRELAND, AND KEEPER OF STATE PAPERS, DUBLIN.

124. (To Mr. *Welby*.) Upon this Vote there appears to have been an over-payment of a small sum; has this matter been adjusted yet?—The Record Office in Ireland has been informed that the sum overpaid must be deducted from the next payment made to the gentleman.

125. There appears to have been a discrepancy between the Exchequer and Audit Department and the Public Record Office in Ireland as to 1 *d*.; that, I presume, will be adjusted also?—Yes.

APPROPRIATION ACCOUNTS—Class II.

On Vote 42.—PAUPER LUNATICS, IRELAND.

Mr. *Goldney*.

126. There has been no expenditure at all against this Vote?—No.

Mr. *W. H. Smith*.

127. Can you explain the reason for the non-payment of any sum of money upon the Vote that was taken for Irish pauper lunatics in the year 1874-5?—The account upon which alone the payment could be made, was not rendered until after the 31st of March 1875, therefore it could not be paid within the year.

Mr. *Goldney*.

128. Then there has been an expenditure, but not within this financial year?—Of course there has been expenditure, but the accounts of it were not rendered in time.

Sir *Walter Barttelot*.

129. Why were not the accounts rendered at the proper time?—You must go to the Irish local authorities for that information.

On Vote 43.

GENERAL SURVEY AND VALUATION OF IRELAND.

Chairman.

130. Can you explain the observation of the Comptroller and Auditor General in paragraph 2?—These repayments are made by the local authorities in Ireland upon presentment. These presentments are made by the grand juries at certain times of the year, and a delay of three or four months follows, I believe, after the date of the presentment before the payment is actually made. I have before me a letter from the head of the office, saying that this sum was paid over subsequently.

CLASS III.

On Vote 19.

COURTS OF LAW AND JUSTICE, SCOTLAND.

Mr. *Goldney*.

131. Some question was raised last year at a meeting of the Public Accounts Committee with reference to the law agent in Scotland, for the Woods and Forests Department. There were certain charges in the Woods and Forests accounts with reference to the law officers in Scotland, and there was also this charge under a separate Sub-head of this Vote; was there not some understanding come to, or some intention expressed, by the Treasury that they would endeavour to bring them all into one account?—Perhaps you will allow me to look the case up before the next meeting of the Committee.

On Vote 21.

PRISONS AND JUDICIAL STATISTICS, SCOTLAND.

Mr. *Seely*.

132. The Comptroller and Auditor General says that the grant in this case does not include any sum for the manufacturing department, and that the profits of that service paid over have been

APPROPRIATION ACCOUNTS—CLASS III.

Vote 21.—Prisons and Judicial Statistics, Scotland—*continued.*

Mr. *Seely*—continued.

been 3,655*l.* 6*s.* 3*d.*; was there any expense connected with the manufacturing department?—That is the net profit, after paying the expenses of manufacture.

133. Then there were certain expenses which do not appear here?—Yes.

134. Is there any objection to the expenses appearing, and then the gross profit being shown, and also the net profit that is handed over?—I do not see that there would be any objection to showing it by a note. The expenses, of course, consist of the purchase of materials and articles of that kind.

135. Whatever the expenses may be, there would be no objection to showing them?—I do not know that there would be any difficulty in showing the amount in a note. (Mr. *Ryan.*) A note upon the accounts shows how the profit is arrived at. "The profits from prisoners' labour in the general prison are ascertained by deducting the expenditure for materials from the receipts for goods sold."

136. But the amount of the expense is not stated at all?—No.

137. I think if there is no objection on behalf of the Treasury, the expense of carrying on this manufacture should be shown?—I do not think that there is any expense except for materials. (Mr. *Welby.*) I do not see any reason why such a note should not be given.

On Vote 23.

COURT OF CHANCERY, IRELAND.

Chairman.

138. In paragraph 1, the Comptroller and Auditor General raises a question as to a man holding two separate appointments; one is that of seal porter to the Lord Chancellor, and the other is that of tipstaff; is he paid in both capacities?—Yes.

139. Is that contrary to the views of the Treasury, or to the rule laid down by Treasury Minute?—It is contrary to the Treasury view that an officer should hold two offices except upon satisfactory explanation, and the Treasury has been in correspondence with the Lord Chancellor of Ireland upon the subject. The result has been that the Lord Chancellor has satisfied them upon the point, and the salary is allowed.

Lord *Eslington.*

140. Then Treasury authority has been given?—It has.

Mr. *Seely.*

141. It was not given at the time that the Comptroller and Auditor General made his report?—No.

Chairman.

142. (To Mr. *Ryan.*) Have you received the Treasury authority now?—No, we have not received it yet. (Mr. *Welby.*) The Treasury authority, of course, will be furnished to the Comptroller and Auditor General now that the decision has been given; I imagine that the letter is on its way to the Audit Office. This only happened within the last two or three days.

APPROPRIATION ACCOUNTS—CLASS III.

Vote 23.—Court of Chancery, Ireland—*continued.*

Mr. *Welby*, C.B., Mr. *Ryan*, and Mr. *Hamilton.*

8 March 1876.

Chairman—continued.

143. Does the Treasury authority go direct to the Audit Office, or is it sent to Ireland, and forwarded thence to the Audit Office?—It is sent to Ireland, but, as a matter of courtesy, the Audit Office would be informed of it.

144. (To Mr. *Ryan.*) But you have not yet received it?—No.

145. (To Mr. *Welby.*) A question arises on paragraph 2 as to Treasury authority not having been given in another case; has that been given now?—No, the Treasury authority has not been given for that. We do not appear to have had an application for it, but we will make inquiry about it, so as to clear up the point.

On Vote 24.

COMMON LAW COURTS, IRELAND.

146. A question arises here as to payments to a salaried officer of the courts for extra services amounting to 29*l.* 6*s.* 7*d.*; has Treasury authority been given for those payments?—It has.

147. (To Mr. *Ryan.*) Have you received it?—Yes, we have received it.

Mr. *Seely.*

148. (To Mr. *Welby.*) Can you explain why you were so long in furnishing that authority. It appears that application was made to the Treasury on the 26th November 1875, and that it was subsequently renewed, but the Comptroller and Auditor General says that at the date of his Report the authority had not been furnished?—On the receipt of the letter from the Queen's Bench in Ireland a correspondence ensued; the Treasury was not satisfied with the manner in which the application was made to them, and they had to make two communications to Ireland before they got an answer that satisfied them.

On Vote 26.

LANDED ESTATES COURT, IRELAND.

Chairman.

149. Can you say whether the sum of 54*l.* 1*s.* 6*d.* referred to by the Comptroller and Auditor General has now been paid to the Exchequer as extra receipts?—A sum has been received which we believe includes that amount, but I am not able to say positive by that it does include it. I will make inquiry. (Mr. *Ryan.*) I believe it does include it; we are satisfied upon that point.

CLASS IV.

On Vote 1.

PUBLIC EDUCATION, ENGLAND AND WALES.

150. The Comptroller and Auditor General, in his Report upon this Vote, makes some observations with reference to certain expenditure upon schools not inspected, and he gives a schedule of the reasons assigned for the payment of these grants to these uninspected schools. The same question arises in several forms upon the Vote for Public Education, Scotland, does it not?—It does.

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Hamilton*, and Mr. *MacLeod*.

8 March 1876.

APPROPRIATION ACCOUNTS—Class IV.—*continued.*

On Vote 2.—SCIENCE AND ART DEPARTMENT FOR THE UNITED KINGDOM.

Mr. NORMAN MACLEOD, called in; and Examined.

Chairman.

151. (To Mr. *Ryan.*) IN paragraph 2 of the Comptroller and Auditor General's Report he adverts to a payment of 21 *l.* to a salaried officer of the department for two lectures; he says the sum was omitted from the account of the Appropriation of the Vote in 1873-4; was it noticed on that account?—An objection was taken to the payment, and it was withdrawn from the account.

152. Then no notice of it appeared in the Appropriation Account of 1873-4, or in the Report upon it?—No, because it was not charged in the account.

Mr. *Seely.*

153. You still say that you do not think it ought to be allowed?—The charge requires Treasury's sanction, and no Treasury sanction is forthcoming for it, consequently we have no option under the Exchequer and Audit Departments Act but to disallow the amount.

154. (To Mr. *MacLeod.*) Has Treasury sanction been applied for?—Yes.

Chairman.

155. (To Mr. *Welby.*) Was the view of the Treasury that Mr. Moody should be called upon to repay this money?—The view of the Treasury was that the sum paid ought not to receive Treasury authority, in which case it must come under the consideration of this Committee.

156. But the Treasury, in their letter of the 2nd of January 1875 (letter G. appended to this Vote), say they "have no observation to make upon the question of repayment by Mr. Moody of the money he has received; the Comptroller and Auditor General will deal with the case in his Report as he sees fit, and until the result is seen, my Lords have no further action to take." Now that the Treasury have seen the Comptroller and Auditor General's Report, what course do they consider ought to be taken?—That question raises a very difficult point, namely, what is to be the course pursued when the Treasury decline to sanction a payment which requires their authority; of course in that case the sum cannot be charged against the Vote, and remains in the first instance charged against the accounting officer; if the sum overpaid has been paid to a salaried officer, of course it is possible to stop that amount from the pay of that officer in future; but in a case where there had been considerable irregularity, as the Treasury think has been the case in this instance, they prefer to let the item be reported as for disallowance to the Public Accounts Committee, with a view of eliciting an opinion from the Committee upon the case before they give any final directions in the matter.

Mr. *Goldney.*

157. The Treasury, in their letter of the 27th November 1874, state distinctly that they decline to allow it?—Yes.

Lord *Eslington.*

158. (To Mr. *MacLeod.*) Did the department fix a sum as an adequate remuneration, or does it appear in the shape of a claim by this gentleman?—It was fixed beforehand, at the rate of 10 guineas for each lecture; there were to be two lectures.

159. So that your department is responsible for the charge?—Clearly.

Mr. *Goldney.*

160. The Treasury letter of the 27th November 1874 puts the thing definitely as regards the Treasury?—Yes, as regards the Treasury; I should be glad if the Committee would permit me to make an observation upon the subject. We are of opinion that the Treasury has put a different construction upon an expression used in the letter sanctioning this gentleman's appointment to that which was intended when that letter was written. The Committee of Council on Education were desirous of having this gentleman appointed to take charge of a small class selected from the training school; he was to devote 15 hours a week to this class, and he was to have the rest of his time for himself; so that he was only a partially employed officer in the public service. The Treasury, in their letter acceding to his appointment, stated "this union of official and business relations in the same person" (Mr. Moody, when not employed in this educational matter, being employed on ornamental designs for the Museum) "with the same department is unusual, and obviously requires to be strictly supervised." The Treasury letter then went on to say, "I am to state that my Lords understand that this sum of 350 *l.* will cover every service of every sort which Mr. Moody performs in the way of instruction only, and that whatever else he receives from the Votes, whether of the Department of Science and Art or of the Office of Works, will be payment at ordinary rates for work ordered by the Lords of the Committee on Education to be undertaken by him about the premises, just as their Lordships might have ordered the same work to be undertaken by any other equally skilful artist independent of and unconnected with the department." This expression was obviously used in order to define distinctly the specific duty and the salary to be received for it. It was only proposed that he should give 15 hours a week to this educational duty; then afterwards, when he came to be invited to deliver two lectures those were altogether outside the 15 hours that he had to give to the class, and the Lords of the Committee of Council on Education having employed him for this special purpose, for which he had to give up his own time, altogether outside of the 15 hours, naturally held that it was right that he should be paid for that service. They did not regard it at all as a part of the educational duty which he was called upon to perform for the 350 *l.* which he received.

Chairman.

161. What is the date of that letter?—The 15th of April 1873.

162. That letter does not appear in this correspondence that is before us?—No, it does not.

163. Will

APPROPRIATION ACCOUNTS—Class IV.

Vote 2.—Science and Art Department for the United Kingdom—*continued.*

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Hamilton*, and Mr. *MacLeod*.

8 March 1876.

Chairman—continued.

163. Will you put it in, if you please?—I will; perhaps I may be allowed to put in the whole correspondence which passed upon the subject of the appointment of this gentleman (*handing in the same*).

Mr. *Seely.*

164. (To Mr. *Welby.*) Before any department of the public service makes a special payment, or intends to make a special payment, is the Treasury's sanction asked for as a rule?—In the case of any new payment, it ought to be asked for beforehand, and the payment ought not to be made until the sanction has been granted.

Mr. *W. H. Smith.*

165. (To Mr. *MacLeod.*) Is there any specific reference in this correspondence which you have produced to the 15 hours?—Yes, there is. You will find that the Treasury were informed distinctly that 15 hours per week were to be allotted to this class of selected students.

166. Do you consider that you have authority to pay to an officer who receives a salary for a portion of his time, out of your Votes, any amount that you may consider to be proper to be paid to him for any other work that he may do for you without giving notice to Parliament that this officer is in receipt of so much more beyond his salary?—If the officer is in receipt of a salary, we should go to the Treasury for permission to employ him. If he is not a public officer, we should not do so; we should pay him under a Minute of the Treasury allowing us to employ whom we please under certain allowances; that is to say, we are allowed by the Treasury to employ lecturers at or under 10 guineas per lecture.

167. Then you admit that it is necessary that you should apply for Treasury authority in every case in which you pay an officer who receives a salary, whether that salary be for his whole time or for a part of his time, any sum of money for what he may do in excess of the work included within his salary?—Certainly. If you will look at my letter, printed on page 227 of the 9th December 1874, you will see that we say that "their Lordships are ready to acknowledge that, under these circumstances, an application should have been made to the Treasury for permission to employ Mr. Moody, and they regret that the application was not made."

168. Do you show in the Estimates by an asterisk payments made to every officer in this way during the preceding year in addition to his salary?—We have done so this year by direction of the Treasury.

Lord *Eslington.*

169. If I rightly understood your last answer, you distinctly admit that it was an error on your part not to apply to the Treasury before sanctioning the payment in this case?—We ought to have applied to the Treasury, no doubt. The omission to do so arose from this circumstance, that the existing appointment had taken place a very short time previously, and it was overlooked.

APPROPRIATION ACCOUNTS—Class IV.

Vote 2.—Science and Art Department for the United Kingdom—*continued.*

Mr. *Seely.*

170. It is understood, I suppose, that you ought to apply to the Treasury for their sanction before you incur such a charge and not afterwards?—Yes, certainly, beforehand.

Mr. *W. H. Smith.*

171. I understand that you contend that the words, that the 350*l.* was "to cover every service of every sort which Mr. Moody performs in the way of instruction only," ought not to cover a lecture which is hardly to be considered in the nature of instruction?—Precisely; and I think that the Treasury in using that expression, merely meant to convey that the 350*l.* was to cover the 15 hours.

Lord *Frederick Cavendish.*

172. In the Treasury letter there was nothing said about the 15 hours, was there?—No; but they had our letter before them at the time, stating that the 350*l.* was to be for 15 hours.

Sir *Walter Barttelot.*

173. You have no power to grant a gentleman like this, who is already receiving 350*l.* a year, a single farthing beyond that sum without asking the consent of the Treasury?—No, we have not.

174. But in the case of a gentleman who has no salary whatever, you are allowed, up to the amount of 10 guineas, to pay any sum you please, without going to the Treasury?—Precisely.

[Mr. *MacLeod* withdrew.

On Vote 3.—BRITISH MUSEUM.

Mr. *Goldney.*

175. (To Mr. *Welby.*) The same question arises here, but with regard to Senor De Gayangos; I presume the consent of the Treasury was obtained; he is a public servant in the Record Office, but he has received payments in addition to his salary amounting altogether to 227*l.* 11*s.*?—Yes; that has been remarked upon before.

176. The payment comes here, although there was a note attached to the Vote out of which he got his salary?—I think the Comptroller and Auditor General calls attention to the fact that no note was made as it ought to have been; that the rule of the service with reference to that has been neglected in this case. I said that I thought a circular should be sent out to call the attention of the departments who have not been attentive to the rule to the necessity of appending these notes.

177. In paragraph 2, the Comptroller and Auditor General says, "that under Sub-head A. are included payments amounting in the aggregate to 227*l.* 11*s.* to a salaried officer of the Public Record Office for work performed on account of the Trustees of the British Museum." I suppose that was done with the sanction of the Treasury?—The Treasury had no reason to know that it was irregular; either it was done with the sanction of the Treasury, or else it was a case in which the sanction of the Treasury was not wanted.

178. It appears to me that that is exactly the same question as we have been discussing?—It

Mr. *Welby*, C.B., Mr. *Ryan*, and Mr. *Hamilton*.

8 March 1876.

APPROPRIATION ACCOUNTS—Class IV.

Vote 3.—British Museum—*continued*.

Mr. *Goldney*—continued.

depends upon whether the department has a discretion in the matter or not.

179. That is just what I want to get at, because this is a much larger sum than that which we were referring to just now; I understand that Senor De Gayangos is an officer employed in the Public Record Office at a fixed salary?—Yes.

180. And the British Museum employs him for the special work of compiling and translating various Spanish documents?—Yes.

181. And the payments that the British Museum make to him for that work amount to 227 *l.* 11 *s.*?—Yes.

182. I think the Committee ought to know whether the payments by the British Museum Trustees require sanction, and if so, whether the Treasury has given that sanction?—It has the sanction of the Treasury.

Sir *Charles Mills*.

183. It is stated so in the Report on the Vote for the Public Record Office?—Yes, it appears at page 101. (Mr. *Ryan*.) I may say, generally, that in every case of this sort, where Treasury sanction was required, if it was not given the

APPROPRIATION ACCOUNTS—Class IV.

Vote 3.—British Museum—*continued*.

Sir *Charles Mills*—continued.

Comptroller and Auditor General would call attention to it.

Lord *Eslington*.

184. A very much larger question arises upon the next Sub-head of the Comptroller and Auditor General's Report, because it appears that there was a purchase of coins and medals by the British Museum for the sum of 3,608 *l.*, for which a Supplementary Estimate was presented to Parliament; did the British Museum apply to the Treasury previous to this purchase for sanction, or have they the power of making these large purchases on their own authority, and then presenting a Supplementary Estimate to Parliament for the amount?—They have to come to the Government first of all, and the Government presents the Supplementary Estimate.

185. Of course; but can they make these large purchases without Treasury sanction?—Not a large purchase of this kind.

186. In this case did they apply for the Treasury sanction?—If a Supplementary Estimate was taken it must have been proposed by the Secretary to the Treasury, therefore it must have come before the Treasury.

On Vote 9.—PUBLIC EDUCATION, SCOTLAND.

Sir FRANCIS R. SANDFORD, C.B., called in; and Examined.

Sir *F. R. Sandford*, C.B.

Chairman.

187. THE question of payments made in certain cases to schools which have not been inspected arises upon this Vote in a fuller form than upon the English Education Vote. The Comptroller and Auditor General states that the Committee of Council on Education have referred to a Treasury letter of the 28th December 1867, as authorising them to make these payments without previous inspection; what is that letter of the 28th of December 1867?—It is quoted at the bottom of page 244.

188. Will you read the material parts of it?—"Their Lordships approve of the suggestion of the Lords of the Committee that, in cases where, from unforeseen causes, the first certificate to the voucher for such payments may be wanting, the voucher may be accepted as a sufficient discharge, if accompanied by a special Minute of the Lord President or Vice President accounting for the absence of the certificate in question." The first certificate is a certificate from the inspector that he has visited the school to which the payment is to be made. Now, it sometimes happens that the inspector cannot visit the school to which the payment is to be made at the time. For instance, of the ten cases that are challenged under the English Vote, nine were in the Over Darwen District, where, as you probably know, all the schools were closed under medical authority for some months, in consequence of a great outbreak of epidemic in that year. The tenth school was somewhere near the same place. The inspection of that school was twice postponed, the first time in consequence of an outbreak of measles, and then when the inspector offered to go again there was scarlatina there. Under these

Chairman—continued.

circumstances it would not have done to have kept the managers out of the money they had spent upon the school in the previous 15 months, for perhaps four or five months more.

189. Has this dispensing power been exercised in former years?—Yes, not perhaps in so many cases as appear upon these two Reports, but there are reasons for those cases.

190. This year it has been experienced in a good many instances in Scotland, and the sum total amounts to 1,724 *l.* 6 *s.* 8 *d.*?—Yes.

191. And in the case of England it appears to have been exercised to the amount of 1,227 *l.* 17 *s.* 2 *d.*?—Yes.

192. Has the dispensing power ever been exercised in regard to such large sums before?—I do not know, but I should think not in cases amounting to so much in the aggregate in the course of the year. As regards England, the reason has been that which I have explained. As regards Scotland, it was on account of the great changes that were introduced there in that year, and the number of new schools which had to be inspected, and the changes in the date of inspection, which became necessary upon the introduction of the new Scotch Education Act.

193. (To Mr. *Ryan*.) Have the Audit Office noticed payments of this character in former Reports?—The Audit Office has not done so, but the larger number in this year, and the doubt raised in our minds as to whether the dispensing power was within the four corners of the code, caused the Comptroller and Auditor General to bring the matter forward this year. He felt that he could no longer pass it by without notice.

194. (To Mr. *Welby*.) Has the Treasury any observation

APPROPRIATION ACCOUNTS—Class IV.

Vote 9.—Public Education, Scotland—*continued.*

Chairman—continued.

observation to make upon this?—The Treasury have looked upon it as a discretion which, in some form or other, must be exercised, and they expressed that view in the letter of the 7th of April, which is printed.

Mr. *Thomson Hankey.*

195. (To Sir *F. R. Sandford.*) It not unfrequently happens that the proper certificate for a school cannot be obtained owing to illness in the school; is not that so?—That occasionally happens.

196. Are there a certain number of such cases every year?—Yes; but even in the year in question 10 cases only occurred out of the 13,000 schools inspected, and they were all, or at least nine of them were, in the Over Darwen District.

Lord *Eslington.*

197. Can a school that is not regularly inspected, and perhaps does not come up to the requirements of the office in respect of a certified master, and so forth, claim to be inspected, and upon inspection receive a grant if the Council's conditions are satisfied?—Yes, if it is a public elementary school, which must be under the charge of a certificated teacher.

Mr. *Cubitt.*

198. In the case of these instalments of grants, was the remainder of the grant paid after inspection?—Yes, the balance was paid after inspection. We are obliged to take a promise from the managers that if on inspection the grant falls short of the instalment, they will refund the difference.

199. Then that first sum of 922 *l.* 12 *s.* 6 *d.* is on a different footing to the amount which appears lower down on page 243?—Yes; the reason for paying the 922 *l.* 12 *s.* 6 *d.* is given there, namely, the changes in the date of inspection. The meaning of that is this: the inspector ought to go down to a school at the end of 12 months, but in consequence of changes in the work he cannot go there before the end of 18 months. Then we pay a grant at the same rate as in the previous year, and we pay the remainder at the end of six months, when the school has been inspected.

Mr. *Hankey.*

200. Taking an engagement from the managers in the meantime to refund your payment to them if necessary?—Yes.

201. Then the first head on page 243 is an advance only?—Yes.

202. The second is the further payment?—Yes; the figure at the bottom of the page is the full payment.

Mr. *W. H. Smith.*

203. Those are grants outside your own regulations which you laid down, and which have been approved by Parliament?—Yes, so far as the inspection for that year is concerned. Every other condition had been fulfilled, but the inspector could not go round and test the schools in order to see that the conditions had been fulfilled for that year.

204. But you thought it necessary in the public interest to dispense with the conditions which

APPROPRIATION ACCOUNTS—Class IV.

Vote 9.—Public Education, Scotland—*continued.*

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Hamilton*, and Sir *F. R. Sandford*, C.B.

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Mr. *W. H. Smith*—continued.

you recommended to Parliament as being the conditions on which grants should be made?—Yes.

205. You have exercised that dispensing power?—Yes.

Chairman.

206. (To Mr. *Welby.*) The view of the Treasury appears to be that the dispensing power was only to be exercised in cases of clear necessity?—Exactly so.

207. (To Sir *F. R. Sandford.*) When you now exercise this dispensing power, do you make no communication to the Treasury upon the subject?—No; we append to each payment a certificate, signed by the Lord President or the Vice President, to go to the Audit Office.

208. Would there be any difficulty in applying to the Treasury for their sanction?—No difficulty; there would be a little trouble; we should probably want the payment pretty quickly, and an explanation of all the circumstances seems to be hardly necessary, considering how few cases occur. We think that it must be a matter of pretty clear necessity when we take a special minute from either the Lord President or the Vice President; no one else has the power to give these dispensing certificates.

209. Do you apply for the covering sanction of the Treasury when a case does occur?—No, we have got a general sanction in the Treasury letter of the 28th December 1867.

Lord *F. Cavendish.*

210. There would be no difficulty when you presented your account at the end of the year in adding a list of all such cases, would there, so that they should come before the Audit Office and before us?—No; we send with each month's account a voucher signed by the Lord President or the Vice President in each special case, so that the Comptroller and Auditor General gets an earlier intimation than the end of the year.

211. In order that it might come before this Committee in a formal manner, there would be no difficulty in sending such an annual list as I have suggested, would there?—No.

Chairman.

212. In the majority of cases you could make an application to the Treasury for their previous sanction, could you not?—Yes.

213. And in cases where there was a pressure, so that you could not obtain a previous sanction, you could apply as soon as possible for a covering sanction?—Quite so.

Sir *Walter Barttelot.*

214. The cases would be very few in which you could apply for such a Treasury sanction beforehand?—I do not know whether it is worth while moving the Treasury on such a case as this; suppose a teacher is ill, and we want to pay him a grant?

Lord *Eslington.*

215. In the event of an inspector being unable to visit a school, and that seems to occur not infrequently, on what principle do you grant the money?—In these Scotch cases, the grants were personal; that is to say, the master had a claim

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APPROPRIATION ACCOUNTS—Class IV.

Vote 9.—Public Education, Scotland—*continued.*

Lord *Eslington*—continued.

to so much, and the pupil teachers had a claim to so much; we only used the power where the school and the character of the teachers were well known. We therefore paid them a grant for that year, without inspection, of the amount to which they were respectively entitled by their standing.

216. But without knowing whether the children had complied with all the conditions or not?—Yes, we had the certificate of the managers. I am speaking of the personal grants under the Old Code to the master and the pupil teachers. The former claimed a certain amount under his certificate; the latter probably came to the examination, and passed the examination for the year of their apprenticeship, which entitled them to a certain grant. We thought that the certificate of the manager of the school that they had done their duty was sufficient, when we had also the statement of the inspector, "I have known this school and this teacher for a long time, and therefore I recommend the grant without a personal visit this year."

217. Therefore in those cases you depute as it were to the managers of the school the duty which the inspector would otherwise perform?—Yes, in those cases.

[Sir *Francis Sandford* withdrew.

On Vote 15.

NATIONAL GALLERY, IRELAND.

218. (To Mr. *Ryan.*) It appears from paragraph 5, that certain vouchers had not been furnished to the Comptroller and Auditor General at the date of the Report; have you received any of those vouchers up to the present time?—No, we have received nothing further since the Report.

219. When did you make your last application for them?—We have made no further application since the Report.

220. Have you made frequent applications for them?—It is not of much use applying to this accountant; he does not really seem to me to know how to render his account, as you will see by the Report; it is all incorrect; we never can get what we want from him.

On Vote 17.

THE QUEEN'S UNIVERSITY IN IRELAND.

221. There appears to be an error in the account, but it does not affect the total?—No, the accountant has transposed the two sums.

On Vote 18.

QUEEN'S COLLEGES, IRELAND.

222. (To Mr. *Welby.*) With regard to the Queen's College, Ireland, and to the British Museum, and I think the University of London, and with regard to the Royal Dublin Society also, a notice was taken by the Committee some years ago, that those institutions were in possession of other funds besides those with which they were supplied by Parliament, and it was suggested that it might be well that the Treasury should take some opportunity of making an inquiry respecting them, and ascertaining what their receipts really were. Has anything been done to carry out that suggestion?—With regard to the Queen's Colleges in Ireland, an account of the whole of their income is now sent to the Comptroller and Auditor General, so that he has before him not only the amount granted by Parliament, but also the whole of their receipts. Perhaps the Comptroller and Auditor General would be able to say with regard to the Royal Dublin Society; I think all their income comes before him also.

APPROPRIATION ACCOUNTS—Class IV.

Vote 18.—Queen's Colleges, Ireland—*continued.*

Lord *Eslington*—continued.

223. (To Mr. *Ryan.*) Is that the case?—No, not all; the Royal Dublin Society renders no account of the subscriptions it receives, or of its other sources of revenue beyond the Parliamentary grant; there are some subscriptions of which we have no knowledge.

224. Have you any knowledge with respect to the British Museum?—With regard to none of the Trust Funds, only the Parliamentary grant. We reported upon that point some years ago, giving instances of every case in which there were other funds of which we had no knowledge, and the Committee then went into it, and the Treasury also. It was thought best for certain reasons that we should not go further than we had hitherto gone. It was considered that these not being voted services, it was not necessary that we should examine into them any further.

225. And the same is the case, I suppose, with regard to the University of London?—There is a very small sum there. Brown's Institute is almost the only fund in addition to the Vote. It is almost entirely supported by the grant of Parliament.

226. (To Mr. *Welby.*) I see the Public Accounts Committee in 1874 made the observation in connection with the British Museum, and several of these institutions, that "the Trustees have in addition to the amount voted the disposal of special Trust Funds, an account of which is annually presented to Parliament, but not to the Audit Office. Your Committee think that it would be well that the Treasury should at some future time make inquiries into this and other similar cases where accountants deal with more than one Fund, and have more than one balance, and consider in each case what steps, if any, should be taken." The Queen's Colleges were among the institutions in question. I understand that you have been endeavouring to deal with them?—They have been completely dealt with. As regards the British Museum and the University of London no steps has been taken; there is some difficulty in the way.

Mr. *Hankey.*

227. There are special trusts in those cases, are there not?—Yes, I think some of the special funds do come before the Comptroller and Auditor General although no account is rendered of them.

Mr. *W. H. Smith.*

228. In point of fact these Votes are grants in aid, are they not?—They are.

APPROPRIATION ACCOUNTS—*continued.*

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Hamilton*, and Mr. *Alston*.

8 March 1876.

Mr. FRANCIS B. ALSTON, called in; and Examined.

CLASS V.

On Vote 1.—DIPLOMATIC SERVICES.

Chairman.

229. IN paragraph 2 of the Report, the Comptroller and Auditor General says, that under Sub-head A. "is included a portion of the salary of the Minister Resident and Consul General of Port-au-Prince (Hayti)"; is the salary divided between two Votes?—We took advantage of the appointment of a new minister to Hayti to transfer the salary from the Consular to the Diplomatic Vote.

230. Then it all appears under one Vote?—It does now.

231. With regard to paragraph 4, has the Dominion of Canada refunded any part of the expenditure of the Mixed Commission up to the present time?—It has refunded 25,000*l.*, which represents the half of the expenditure, as nearly as possible, for the year 1873-74.

232. But the total expenditure incurred up to the present time amounts to upwards of 100,000*l.*?—Yes, it amounts to more than 100,000*l.*

Mr. *Seely.*

233. What portion of that ought to be borne by Canada?—The half; the moment we received the Appropriation Account last year we applied for the moiety due by Canada for the year 1873-74, and we have now again applied, or rather are about to apply, for the moiety due for the expenditure shown in this Appropriation Account, which is 54,000*l.*

234. Have you received any answer to that application?—We have not as yet applied for the second moiety.

Mr. *Hankey.*

235. The Comptroller and Auditor General says that he has no knowledge of any refund by Canada on account of any part of this expenditure?—He had no official knowledge of it at the time his report was made, but he has since been informed of it.

236. (To Mr. *Ryan.*) Have you a knowledge of it now?—Yes; we received a letter on the 2nd of March, informing us of it.

Mr. *Goldney.*

237. Is the whole matter, as to the advances to M. Münzinger, now absolutely settled?—Yes, absolutely; he is dead.

238. The Treasury have sanctioned that advance as a payment to him of 1,630*l.* 18*s.* 6*d.*?—Quite so; this was a repayment to the Indian Government of an advance made to M. Münzinger, and the Treasury had cleared M. Münzinger before his death.

239. And they sanctioned the repayment to the Indian Government of that amount?—Yes. (Mr. *Welby.*) The Committee had practically this question before them on the Abyssinian Accounts last year.

On Vote 2.

CONSULAR SERVICES.

Chairman.

240. In the third paragraph the Comptroller and Auditor General says that the Indian mails are no longer transmitted from Marseilles, but nevertheless an allowance paid to the Consul for superintending the embarcation and landing of the mails is continued to be paid; can you explain that?—Since that report was written we have received Treasury authority for the continuance of the allowance, and have furnished it to the Audit Office; the payment is continued to the Consul as a personal allowance to himself, on the ground that the allowance had been issued since the year 1840 to the present Consul, and to his predecessor, and that it would have been a serious matter for the Consul if that allowance had now been withdrawn from him.

Vote 2.—Consular Services—*continued.*

Chairman—continued.

241. What is the amount of the allowance?—£. 50 a year.

242. And it is continued as personal to this Consul?—Yes, as personal to the present holder of the post.

Mr. *Seely.*

243. What is the amount of his salary?—£. 900, I think.

[Mr. *Alston* withdrew.

On Vote 4.

ORANGE RIVER TERRITORY AND ST. HELENA.

Mr. *Goldney.*

244. (To Mr. *Welby.*) Is this a permanent charge?—No, it is only a payment to pensioners. I think there are two pensioners still living.

245. As the pensioners die off, that charge becomes lessened?—Yes.

CLASS VI.

On Vote 1.

SUPERANNUATION AND RETIRED ALLOWANCES.

Chairman.

246. A question arises here as to "compensation and compassionate allowances to widows and children of Civil servants who have been killed, or who have died from injuries received while in execution of their duty." The Comptroller and Auditor General, in the first instance, calls attention to what appears to him to be the case, that the heading of the Vote is not wide enough to justify the charges which are put under it. The heading of the Vote appears to make it applicable only to superannuation and retired allowances to persons formerly employed in the public service, according to the provisions of certain Acts. Technically, that is the case, is it not?—I think so.

247. You would agree that the heading of the Vote ought to be extended, so as to embrace the compassionate allowances and other allowances which do not arise under the Act of Parliament?—I think the heading of the Vote ought to show clearly what is included under it.

Mr. *Welby*, C.B., Mr. *Ryan*, and Mr. *Hamilton*.

8 March 1876.

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances —*continued.*

Lord *Eslington.*

248. These compassionate allowances and gratuities appear to be granted under the discretion of your Board; how do you acquire that discretion?—The Treasury have not the power specially given to them by Parliament; they have exercised the discretion in these cases from time immemorial.

249. But you have no Statute authorising you to exercise it?—The Superannuation Act does not bestow any power of that kind upon the Treasury.

Chairman.

250. The Vote distinguishes compensations from compassionate allowances; the Treasury exercise, and have exercised, a discretion with regard to both of those, have they not?—With regard to compassionate allowances, they have.

251. Not with regard to compensations?—No, not with regard to what is usually known as compensation.

252. Then do I rightly understand that there is authority under some Act or Acts for granting compensation?—The term "compensation," as understood by us, refers to the case of a man deprived of office, and the Superannuation Act provides for that case and gives the Treasury full power to deal with such cases; the class of cases called compassionate allowances are cases in which I believe the Treasury are not able to quote any Act of Parliament giving them special discretionary power.

253. They were supposed to be cases arising from some emergency?—Yes; I may add that a power is given to deal with cases of much the same kind by certain special Acts, but that there is no general power for the whole service.

Mr. *Seely.*

254. I see that 211,697 *l.* 4 *s.* 1 *d.* is put down to "compensation and compassionate allowances;" can you tell the Committee how much of it was for compassionate allowances?—A very small sum was awarded by the Treasury for compassionate allowances, I think.

255. Would you have any objection to entering them under two heads in future, so that we might see what you are obliged to grant legally, and what you grant out of charity?—An objection has been felt by the Treasury to dealing further with these cases of compassionate allowances, on this ground: the Treasury are anxious not to give people any claim to such allowances; if there were an Act of Parliament, for instance, empowering the Treasury to grant them, it would become a right on the part of the persons who might come before the Treasury in such circumstances to obtain a compassionate allowance.

256. I asked whether there is any objection to putting in this account, in future, the amount that you give for compensation, and the amount that that you give for compassionate allowances?—I was passing on to answer that question. There being the objection which I have stated raised by the Treasury to taking further powers, a further question arises, would it be desirable by a separate Sub-head to call special attention to the fact of a certain sum being allotted every year by Parliament for these compassionate allowances. I know no other reason than that.

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances —*continued.*

Mr. *Seely*—continued.

257. On the other hand, is it not rather desirable that we should know what we are bound to pay, and what, although we are not bound, we still think it desirable to pay?—Upon the Estimate every case is given in detail, only I do not think any distinction is drawn in the Estimates between the compensations and the compassionate allowances.

Lord *Eslington.*

258. I presume from what you have stated that every time this discretion is exercised by the Treasury (and it is rarely exercised), it is exercised upon the sole responsibility of the First Lord for the time being?—Of the Board of Treasury.

259. The whole Board?—Yes.

Chairman.

260. There is a particular compassionate allowance noticed here, which was paid to the daughter of the late Editor of the Army List; would not that rather have been a case for the Civil List?—That was a case which was very specially brought before the Treasury; the Stationery Office, I think, got the benefit of the List, and it was receiving a profit realised from this Army List. This was the last person of the family who had any claim, and the Treasury thought that it lay within their discretion to deal with it in that way; there is a definition of qualification for Civil List Pensions, and perhaps the First Lord may not have thought that this case fell within that definition.

261. The compassionate allowances which the Treasury grants are, according to the explanation here, always or usually confined to the cases of persons who have received injury or met with their death in the discharge of their duty, are they not?—I think there are some few cases in which the widows of old servants have been allowed a small sum to save them from poverty, but very rarely. There have, however, been such cases.

262. Those were cases where distress was apprehended?—Yes, but they have been very rare.

Lord *Frederick Cavendish.*

263. (To Mr. *Ryan.*) With respect to the first paragraph of the Comptroller and Auditor General's Report, the disallowance of 106 *l.* 10 *s.* refers to quite another matter from what has been before the Committee now, does it not?—Yes; it is a case of a sum paid under a wrong declaration.

264. (To Mr. *Welby.*) Do the Treasury agree with the Comptroller and Auditor General that it is owing to that mistake, and that it ought to be refunded?—It is a question arising upon an Act of Parliament. The officer could not receive it; it must be rectified.

On Vote 2.

MERCHANT SEAMEN'S FUND, PENSIONS, &c.

Chairman.

265. (To Mr. *Hamilton.*) A question is raised in the first paragraph of the Report of the Comptroller and Auditor General, as to the Exchequer Extra

APPROPRIATION ACCOUNTS—Class VI.

Vote 2.—Merchant Seamen's Fund, Pensions, &c.—*continued.*

Chairman—continued.

Extra Receipts including contributions of seamen who had ceased to contribute for three consecutive years, and who therefore were not eligible for relief under the Act. The Act says, that any seaman who, under certain conditions, ceases altogether for a continuous period of three years to pay his contribution to the fund shall forfeit all claim to any relief to himself, his widow or children. On the other hand the Board of Trade appear to claim that, under the 50th section of the same Act, they are enabled to interpret or override the 43rd section, so as to enable them to make a payment to a seaman although he has not contributed to the fund for three years; is that so?—The rule which was issued in pursuance of the 50th section was issued about 20 years ago. The service has been gradually wound up; there are very few more cases that can arise, and we certainly have interpreted the Act liberally; perhaps more liberally as regards the contributors than we should have done if it had been a continuing fund. It has been the practice to exercise a certain discretion, in fact, the rule referred to gives a certain discretion to the Board of Trade, or rather the Board of Trade takes a certain discretion in that rule, and that discretion has always been exercised.

266. I see you cannot state that any legal opinion has ever been taken to justify your construction of the Act?—We could not find that any legal opinion had been taken, but a great many of the papers have been destroyed, the period being so far back now, and we did not think it was worth while to take a legal opinion at present, as the matter is nearly over, and we could hardly reverse the practice which has been prevailing for the last 20 years.

267. The Comptroller and Auditor General says that "it is apparent from the reply of the Board of Trade, that no legal opinion has ever been taken on this point?"—That is more than I can say. I can only say that I could not find that a legal opinion had been taken.

268. You do not admit that it appeared from your reply, that no legal opinion had ever been taken?—No, I could not say that.

269. When will this fund come to an end?—It will be some considerable time before it comes to an end, so far as paying pensions is concerned. But there are very few contributors; there are a good many persons on the pension list now.

270. So that this point cannot arise again in many instances?—No, in very few instances indeed. The view which the Board of Trade has taken upon this point is, that the object of the limit of three years was to prevent a seaman relinquishing the service altogether, and then coming forward for a pension. But if it is shown to them that the man has been at sea, although he has been in arrear with his contributions perhaps for a time, somewhat exceeding the three years, they allow him to pay up and retain his claim.

271. (To Mr. *Ryan*.) This has not been called in question by the Comptroller and Auditor General before, has it?—No, this is the first time that we have brought the subject forward. It was a doubtful question in our view as a point of

APPROPRIATION ACCOUNTS—Class VI.

Vote 2.—Merchant Seamen's Fund, Pensions, &c.—*continued.*

Chairman—continued.

law, and we consequently asked whether a legal opinion had been taken upon it.

Lord *Eslington*.

272. (To Mr. *Hamilton*.) This is an expiring fund as I understand it?—It is.

273. It is an expiring fund in this sense at least, that there are a certain amount of payments from existing contributors to the fund, but there are no fresh contributors coming on to the fund; is that so?—That is so.

274. On what principle do you base your estimate of the grant which you ask Parliament to vote?—We can only base it on the experience of previous years. We find that taking the new pensions granted, and the old pensioners who drop off, the difference is something like 1,500 *l.* a year in the way of decrease, and we calculate upon that in putting forward our estimates.

275. Your only knowledge of the exact state of your finances arises from the absence of a claim?—That is so.

276. How long do you allow it to tide over; do you allow a couple of years, or three years, to pass. Supposing that a claimant had not died in the interval, but had not claimed, how long would you then allow his claim to run, and at the end of what time would you recognise a claim made which had not been made in the previous year, nor for a year or two before?—Three years is the limit.

277. If no claim was made within that period you would strike the man's name off?—I will not say that exactly; if it could be shown that this man had not relinquished the sea service, but was still a *bonâ fide* seaman, we should probably give him a little latitude beyond the three years.

Chairman.

278. (To Mr. *Ryan*.) Has any further correspondence passed between you and the Board of Trade since you received this answer of the Board of Trade of the 18th November 1875, in which they say that they consider that it is not worth while to take a legal opinion?—Not on this subject.

On Vote 3.

RELIEF OF DISTRESSED BRITISH SEAMEN ABROAD.

279. (To Mr. *Hamilton*.) It appears that the effects of seamen dying abroad are sent home unless they are of a nature necessitating their being sold abroad in order to prevent their being lost or sacrificed?—Yes.

280. In cases in which the effects are returned home no charge is made upon them?—That is so.

281. If they are sold abroad, any expenses which have been incurred in the relief of the seaman are deducted from the proceeds of the sale?—That is so.

282. If wages are owing to the deceased, is a deduction made in that case?—Yes.

283. Does the sum realised by the deductions from the sales of deceased seamen's effects, when they are sold abroad, amount to any great sum?—No, it is very small.

284. Are

Mr. *Welby*, C.B., Mr. *Ryan*, and Mr. *Hamilton*.

8 March 1875.

APPROPRIATION ACCOUNTS—Class VI.

Vote 3.—Relief of Distressed British Seamen Abroad—*continued.*

Chairman—continued.

284. Are there many cases in which that is done?—Yes, there are a good many cases, but the amount in each case is very trifling.

285. Has it always been the practice to make those deductions?—Yes, when the effects have been sold. The view is this, that wherever we can we hand over the effects to the relatives, but if the effects would be worthless through deterioration, or if it would be very costly to get them here, we have them sold, and we consider that the sentimental reason which holds with effects, does not hold when there is simply money. Therefore, we take the money, and let it go as far as it will towards repaying the expenses incurred.

Lord *Eslington.*

286. I suppose, in the event of a seaman dying on board ship, the captain of the ship is charged with the responsibility of bringing home his effects?—Yes. Under certain circumstances he may sell them, but if he does so, it is surrounded with all sorts of precautions; he must hold an auction at the mast; he has to record in the log of the ship the amount that every single article fetched, the name of the purchaser, and so forth.

287. And in the event of a seaman dying in port, the consul is equally held responsible, I suppose?—That is so.

Chairman.

288. (To Mr. *Ryan.*) The Comptroller and Auditor General calls attention to a discrepancy between the course pursued in the case where the effects are sold, and the case where they are returned home?—Yes, we call attention to the difference between the case of money and the case of effects.

289. Paragraph 1 of the Report refers to the question as to the recovery of the relief in certain cases from the owner of the ship, and whether the Board of Trade should have a discretion to abandon those claims or not?—Yes.

290. (To Mr. *Welby.*) There appears to have been a Treasury Minute of the 13th May 1871, based upon a Report of the Committee of Public Accounts, in which the Committee appear to have said that it was desirable that "the Treasury should prepare a Minute" "as to the conditions under which claims for money due to the public may be abandoned by a department." Has any such Minute been framed?—I do not think any general Minute has been framed with regard to that.

291. Would it be possible to frame such a Minute?—I think it would be very difficult to frame a Minute which would apply generally. The fact of the matter is, that the Committee laid rather a difficult task upon the Treasury, inasmuch as the Treasury had to determine what constituted money due to the public, and it would be very difficult for the Treasury to give any general definition of that. They have endeavoured in various cases that have come before them, including this question as to the abandonment of claims by the Board of Trade, to make such a distinction, and in the case of the Board of Trade (the one now before the Committee) they, in concert with the Board of Trade, agreed that

APPROPRIATION ACCOUNTS—Class VI.

Vote 3.—Relief of Distressed British Seamen Abroad—*continued.*

Chairman—continued.

money should not be considered as due to the public as long as the Board of Trade thought that there might be a legal doubt as to the validity of the claim.

292. Both the Board of Trade and the Treasury, as I understand it, are agreed upon this, that the Board of Trade should not have the power of remitting a claim which is clearly and legally due?—Yes.

293. (To Mr. *Hamilton.*) That is understood by the Board of Trade?—Yes.

294. (To Mr. *Welby.*) I suppose it is also admitted that the question of whether a claim should be made or not must rest with the Board of Trade?—Yes, the Treasury clearly would not have any knowledge about that.

295. Then comes the question whether a claim once made, and about which there is any doubt, should be abandoned by the Board of Trade without the sanction of the Treasury or not?—Yes, and upon that the distinction has been taken that if the Board of Trade say that a claim is open to legal doubt, it is for them to abandon it without coming to the Treasury. If they say there is no legal doubt, they have to come to the Treasury before they can abandon it. I may go further and say, that the difficulty which has arisen in this instance is not a difficulty between the Treasury and the Board of Trade, but a difficulty which arises on the part of the Comptroller and Auditor General in understanding which cases are open to that legal doubt, and which is not.

296. Then the Treasury propose that the Board of Trade should submit two schedules?—That was an easy way out of the difficulty.

297. A schedule of the undoubted cases, and a schedule of the doubtful cases?—Yes; that the Treasury should accept the doubtful cases upon that statement of the Board of Trade without investigating them, and merely give their formal authority, so that the Audit Office should be saved the trouble of inquiring into each case. It was proposed that the second schedule, about which there should be no doubt, should be dealt with by the Treasury as at present. (Mr. *Hamilton.*) May I state the objection of the Board of Trade to that course. It is this: nearly the whole of this Vote is expended for the Relief of Distressed British Seamen Abroad. When we have from the consuls a list of their payments in respect of Distressed British Seamen Abroad, the first thing to do is to investigate the circumstances under which each man received relief. We decide then and there whether the charge is a proper one against the Vote, or whether we can recover it from the owners of the ship. But we have not always the information that is necessary to determine whether the owners are liable or not, and if we find that there is a *primâ facie* case of liability on the part of the owners, we raise a claim against them. The owners may dispute that claim, and subsequent information may come before us which we had not at the time of making the claim, but which, had we had, we should not have made it; and we hold that we ought still have the power of abandoning a claim which, with fuller information before us, we

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Vote 3.—Relief of Distressed British Seamen Abroad—*continued.*

Chairman—continued.

we should not in the first instance have made. That is the whole question.

298. That is hardly a case of legal doubt, it is a case of doubt as to the facts?—Yes.

299. (To Mr. *Welby*.) Would it be possible to draw the line between cases where new facts were brought to light, and cases where the law was doubtful; do you think that such a distinction could be held?—I did not understand that to be the view of the Board of Trade. I thought when they raised the question, and saw there was no legal doubt about it, they submitted it to the Treasury. (Mr. *Hamilton*.) So we do. (Mr. *Welby*.) Then I agree. I do not think there need be any great difficulty about this matter. The Treasury have always accepted, I believe, without question, the statement of the Board of Trade that there was a legal doubt about a case without pursuing it further.

300. But Mr. Hamilton is putting the case now, not of legal doubt, but of new facts coming to light. If the Board of Trade have made a claim, and on further investigation facts are brought to light which show that the claim ought never to have been made, and that the Board of Trade have not got a case, the question is, should the Board of Trade thereupon have the power to abandon that claim, to withdraw it, in fact?—As the definition stands at present, I think they would have to submit it to the Treasury, according to the agreement as it stands now between the Board of Trade and the Treasury.

301. Could you come to an understanding with the Board of Trade upon the point; could this distinction be drawn between the two classes of cases, that cases of legal doubt should not be abandoned without the Treasury's sanction, but that, in such a case as I was putting just now, where the Board of Trade find that a claim ought never to have been advanced because there was no case, it should be as if the claim had never been made, and the Board of Trade should be able to abandon it without applying to the Treasury?—I do not think the Treasury would make an objection in such a case. They are quite ready to accept the statement of the Board of Trade.

302. Do you think it would be possible for the Board of Trade and the Treasury to come to an understanding on that basis?—I think that the mode that the Treasury have proposed would be the simplest way out of the difficulty, and would relieve the Comptroller and Auditor General from difficulty, from which I do not see how he could be delivered otherwise.

Mr. *W. H. Smith*.

303. (To Mr. *Hamilton*.) Is not Mr. Farrer's letter, which is printed here, virtually a suggestion that there should be three schedules instead of two; the first schedule being of claims abandoned because they cannot be recovered; the second schedule being cases where legal doubt exists; the third being cases where new light having been thrown upon the matter, the Board of Trade thinks it right that no claim should be made upon the owners?—I do not think that that was the intention of the letter.

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Vote 3.—Relief of Distressed British Seamen Abroad—*continued.*

Mr. *W. H. Smith*—continued.

304. Does it not read like that?—I do not think so; I think our position is very clear; we say that any claim which we should not have made had we had before us all the information that was subsequently elicited, is a claim we do not require Treasury sanction to abandon.

Lord *Eslington*.

305. The only case, as it appears to me, in which you can make a legal claim upon the owner is in respect of a seaman who has been injured in the service of the ship; is not that so?—No, there are many other grounds upon which we can claim.

306. Take that case; in that case a doubt seems even now to have arisen from an opinion given by the law officers in 1860, whether that is strictly a legal claim; what is the view of the Board of Trade upon that point?—As a rule, injury in the service of the ship is held to be a good ground of claim.

307. And you can recover from the owner in such a case?—Yes, certainly we can recover from the owner.

308. As a matter of fact, do you recover?—Yes, as a matter of fact we do recover; but even in that case we have occasionally to abandon a claim; for instance, under the Act, if a seaman is injured in the service of the ship, all the expenses incurred abroad on account of him, and if he shipped in this country, the expenses of sending him home are recoverable from the owners; but if he shipped abroad, although the owner is liable for all expenses arising on account of this man abroad, he is not liable for sending him home because the man did not ship in this country; consequently, if we are ignorant of the fact that he did not ship in this country, we may claim the expenses of sending the man home; then the owner writes and shows that the man is engaged abroad; that is one of the cases in which I hold that we ought to be allowed to abandon a claim without Treasury sanction.

309. Does it often occur that your claim upon the owner is abandoned?—Yes.

310. Sometimes when you have a good case you take legal proceedings; I suppose if the owner resists the claim you have a lawsuit about it?—Yes, sometimes; if we have a good claim we go to law, if necessary, otherwise we abandon it. The question resolves itself into a question of evidence entirely.

311. This is a growing charge, I think, is it not?—I am happy to say that it has been decreasing very considerably in the last few years; it is unfortunately somewhat larger this year than in the year before, owing to certain increased rates we have had to give for the conveyance home of men from abroad, but the total expenditure in the last four or five years has been very considerably diminished.

312. There is a special rate, I think, at which these men are brought home, is there not?—Yes.

313. Are there not considerable complaints made by shipowners about that?—Yes, there have been many complaints.

314. That the rate does not at all follow the ordinary passenger rate?—Yes, it does not at all follow it. We have recently raised it; it used to

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Lord *Eslington*—continued.

be 1 *s.* a day for sailing vessels, but it was raised to 1 *s.* 6 *d.* a day for sailing vessels; it used to be 1 *s.* a day for ordinary steamers, and 3 *s.* a day for steamers under contract to carry mails. Now we have raised it to 3 *s.* a day for all steamers, and 1 *s.* 6 *d.* for sailing vessels.

Lord *F. Cavendish.*

315. (To Mr. *Ryan.*) Have the Audit Office an opinion to express upon this point?—Of course the Audit Office would be very glad that the schedules should be so arranged as not to put them into the difficulty of trying to decide what are legal claims and what are not, that is to say, what are the claims that should be abandoned, and what should not be abandoned. If the Board of Trade and the Treasury could agree upon schedules of that kind it would make the work of the Audit Office, which is done for the Treasury, much easier.

316. At present you consider that it is in an unsatisfactory position?—The Audit Office does not wish to express an opinion as to which course is best; we only say that it would be more convenient to us if our work were simplified by an arrangement between the Board of Trade and the Treasury.

Mr. *W. H. Smith.*

317. (To Mr. *Hamilton.*) What departmental objection is there to the schedules which are asked for, and which have been suggested here; would they cause any obstruction in the working of the department?—None whatever. The point is this: it seems to the Board of Trade that if we require Treasury sanction to charge the Vote with the amount of a claim that we ought not to have made, we equally ought to have Treasury sanction in the first instance to make a charge to the Vote.

318. Then it comes to this, either the Treasury's sanction must be obtained, or the Audit Office must inquire into each particular case?—They do inquire into each particular case now, and they occasionally point out cases in which they think we ought to have made claims, and if we agree with them we make the claim.

Chairman.

319. Upon the third point raised upon this Vote by the Comptroller and Auditor General, as to the payment of the expenses of a seaman on whom injuries have been inflicted by the mate of a vessel in which he was serving, that appears to raise the question, whether the owner of a vessel is responsible for an injury inflicted by one of his crew on another?—That is so; we have been guided in our interpretation of "hurt or injury in the service of the ship," as far as fixing the liability upon the owner goes, by an opinion of the law officers given some time ago, which appears not to include such cases; we took the opinion of our law adviser, and he said that such a case as this was outside the meaning of the law officers.

320. But in this case the payment appears to

APPROPRIATION ACCOUNTS—Class VI.

Vote 3.—Relief of Distressed British Seamen Abroad—*continued.*

Chairman—continued.

have been made?—It was made by the Board of Trade, but it was not claimed from the owners; we hold that we should claim from the owner all expenses on account of hurt or injury, but we did not consider that this was a case of hurt or injury coming within the Act, and therefore we did not claim.

321. When was the opinion taken?—In 1860.

[Mr. *Hamilton* withdrew.

CLASS VII.

On Vote 2.

DEEP SEA EXPLORING EXPEDITION.

Chairman.

322. (To Mr. *Welby.*) Why was this account delivered so late to the Audit Office?—The account is really only nominally a Treasury Account; we obtain it from the Admiralty, and the Admiralty only making up their accounts very late in the year, were not able to send us the account until their Appropriation Account was almost made up; we asked for it several times, but were unable to obtain it from them.

On Vote 7.

ASHANTEE EXPEDITION GRATUITIES AND PRIZE PAY.

323. This account appears to have been late in delivery?—Yes, for just the same reason as the last. The reason is, that the expenditure was conducted in the main by the Army and Navy Departments, and they only sent in the accounts to us after their own Appropriation Account was closed.

324. In the second paragraph, the Comptroller and Auditor General calls attention to some charges which he considers ought not to have been admitted; have you any observation to make upon that?—No, except that we agree with the Comptroller and Auditor General.

Mr. *Hankey.*

325. Then what becomes of the charges?—There is nothing to be done.

Chairman.

326. It appears, by paragraph 4, that the order for payment of a gratuity of 22 *l.* 10 *s.* was dated the 3rd of August 1875, and consequently the Comptroller and Auditor General says that he cannot admit the payment as a proper charge against the Vote for the year we are considering; do you agree to that?—Yes.

327. There is a small charge which is objected to in paragraph 5; have you any observation to make upon that?—No; we have no objection to offer to the course taken by the Comptroller and Auditor General.

Friday, 10*th March* 1876.

MEMBERS PRESENT:

Sir Walter Barttelot.
Lord Frederick Cavendish.
Mr. Cubitt.
Mr. Dodson.
Lord Eslington.
Mr. Goldney.
Mr. Thomson Hankey.
Sir Charles Mills.
Mr. Seely.
Mr. William Henry Smith.

THE RIGHT HONOURABLE JOHN GEORGE DODSON, IN THE CHAIR.

NAVY APPROPRIATION ACCOUNT, 1874–75.

Mr. REGINALD EARLE WELBY, C.B.; Mr. CHARLES LISTER RYAN; Mr. HENRY WILLIAM ROUTLEDGE WALKER; and Mr. GEORGE M. EDWARDS, called in; and Examined.

Chairman.

328. (To Mr. *Walker.*) THE Comptroller and Auditor General observes, in the first paragraph of his Report, as to certain balances due to contractors for machinery which were charged to one Sub-head of Vote 11, whereas the advances were charged to other Sub-heads of the same Vote; what is the explanation of that?—The explanation is simply this, that although the fact that the balances had to be paid in the ensuing year was known, the particular yards where the balances would have to be paid were not known; and therefore we had to make provision for the expenditure as so far unforeseen under the Head of "Contingencies for Machinery." There is no doubt that there is a disadvantage in paying a portion of the expenditure for machinery out of one precise Vote, and paying the balance out of another Vote for contingencies; but it is just one of those things which must necessarily occur in transactions of a varying character like these, and the Appropriation Act forbids us to put the expenditure against the other Sub-heads in continuation of the previous payments of a similar kind, because provision was not made there for it, but was made under the Sub-head to which we have charged it.

329. You say that these balances were not charged to a different Vote from the previous payments, but to a different Sub-head of the same Vote?—Quite so; and we shall make such a note in our books as, for the purposes of historical reference, will show the cost of the whole work.

330. I suppose that in cases where you could foresee that there would be a balance to pay you would estimate for it under the same Sub-head?—Certainly. We did so in the case which is referred to in the Audit Office letter. The Audit Office refer to a case of a somewhat similar nature, but there we knew as a fact the two yards where the balance would be paid, and we made provision for it under those yards. I think they were Sheerness and Portsmouth. We could not do that in this case.

331. (To Mr. *Ryan.*) Have you any observation to make upon what Mr. Walker has said?—I should still be of opinion, notwithstanding what Mr. Walker has said, that it would be better to charge the balances to the Sub-head upon which the original charge was made, whether it was absolutely known at the time when the estimate was prepared to what yard it would fall, or not. Even if it caused a slight excess upon that Sub-head, it is, in our opinion, a better form of account to have all the payments relating to a particular service under one Sub-head than to place some of them under a different Sub-head to that for contingencies. (Mr. *Walker.*) I should quite agree with that reasoning, but the Appropriation Act interdicts us from acting in that manner, and the Audit Office, some years back, took a decided objection to a payment for machinery which had been so dealt with in continuance of the previous arrangement of the payments, and we had to throw it back from one Vote to another in order to meet the requirements, which are inflexible, of the Appropriation Act.

Chairman—continued.

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Walker*, and Mr. *Edwards*

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332. Can you show us the clause of the Appropriation Act to which you refer?—I do not remember the clause; I will look for it.

333. (To Mr. *Ryan.*) I do not know that I quite understand what you propose; I understand the position to be this, that there are certain machines which should be paid for, we will say, in the year 1873-4?—The contract was made in the year 1873-4, but a portion only was paid in that year.

334. And these balances remained over which had to be included in the Estimates for 1874-5?—If foreseen, they would be included in the estimate, according to Mr. Walker's reasoning, under the same Sub-head as that to which the previous payments had originally been charged. If not foreseen, we hold that being a like expenditure, it should go to a like service for which Parliament has granted a sum of money. Parliament grants a sum under, we will say, Sub-head G., for machines; it does not specify in the Estimates that that is to be for one or two or three machines; it simply says, "machines." That, then, is the Head under which, according to our

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NAVY APPROPRIATION ACCOUNT—*continued.*

Chairman—continued.

our view of the Appropriation Act, any charge for machines coming in course of payment in the year would fall, whether the particular item was foreseen or not when the Estimates were prepared.

335. Although an item which comes in course of payment in the year may be an item which was expected to have come in course of payment in the preceding year?—Yes; it constantly happens in the accounts that items come in course of payment relating to the preceding year. If you draw an arbitrary line on the 31st of March, and say that nothing shall be paid out of the Votes of the year which ends on that day that has not then come in, you are constantly forced to put into the accounts of the following year payments which had been contemplated in the preceding year. But that expenditure is charged to the same Sub-head of the Vote; and we make no objection to that, although it was not foreseen at the time the Estimate was prepared. (Mr. *Walker*.) It is very true that the Estimate does not upon the face of it recite the machines, but the basis upon which the Estimate is prepared has distinct reference to certain yards and certain machines at those yards. The Comptroller of the Navy was unable to state, beyond the fact that balances would have to be paid for machinery, the additional circumstance where they would have to be paid, and in the accounts of what yards. Therefore in the one case you provide specifically for known machinery at a yard, and in the other case you provide a collective amount to be paid for machinery, it being unknown at what yards it will be required. The Appropriation Act restricts us to charging sums against the Sub-head in which they were provided for. The Exchequer and Audit Act binds us down to that; so much so that when some years back we put a payment under a certain Head in the way Mr. Ryan describes, the Audit Office sent back our account, and we had to remake it in strict conformity with the Appropriation Act, although the expenditure of the same kind in the same year appeared under different Heads.

336. In what year was that?—1862–63.

Mr. *W. H. Smith.*

337. Do I rightly understand you to say that if you have made provision for certain specific machinery in the Estimates for 1876–77, and the Comptroller of the Navy, or the officer who is responsible for the machinery, decides that any portion of that particular machinery shall not be supplied, you do not feel at liberty to charge to that Sub-head a balance due for machinery supplied in the past year, because it did not form part of the distinct Estimate which was formed in the department in the preceding year, that being a Departmental Estimate, and not one communicated to Parliament?—Not only because it did not form part of that Estimate, but because it formed part of another Estimate; that is the point.

Mr. *Seely.*

338. Then what do you charge it to?—We charge it to the Head where it has been provided for in the ensuing year; namely, "Contingencies for Machinery." The exact cost of the machinery at different yards is unknown, and therefore is

NAVY APPROPRIATION ACCOUNT—*continued.*

Mr. *Seely*—continued.

not capable of distinct estimate, and consequently it is provided for in the Contingencies.

339. Is that Head for Contingencies confined to machinery?—Yes.

340. It does not include any other item besides machinery?—No.

Chairman.

341. Can you now tell me what is the clause in the Appropriation Act which you rely upon as preventing you from charging it to any other Sub-head?—It is not laid down in any precise clause, but the general rationale of the Act restricts us to charge the expenditure directly in conformity with the Estimates which have been laid before Parliament; the whole tenor of the Appropriation Act is this: Parliament votes certain moneys under distinct Heads; Sub-heads and General Heads; and the spending departments cannot without the sanction of the Treasury charge an expenditure contemplated under one Head or Sub-head against another Head or Sub-head.

342. But in the present instance the question between you and the Comptroller and Auditor General arises from the fact that you do charge it against a different Sub-head?—I charge it against the Sub-head where it has been provided for.

Lord *F. Cavendish.*

343. The Sub-head for Contingencies?—Yes, the Sub-head for Contingencies; if we could have provided for it elsewhere, as applying to Portsmouth, or wherever it may be, under the distinct Head of Machinery, we should have done so and charged it there; but the officer who is responsible for this transaction says, "I cannot tell you where it will be; I can only tell you that taking the machinery all round there will be a certain sum that we shall have to pay: it may be at Sheerness; it may be at Chatham, or it may be at some other yards;" and therefore he says, "I take a general estimate, which provides for all the expenditure of this kind at the different dockyards."

Chairman.

344. He cannot even tell you at which dockyard it will be?—No.

345. You rely upon the Appropriation Act, generally?—I do.

346. But you directed my attention particularly to Section 29 of that Act; you pointed to that section?—Yes, because it says that we are to confine our expenditure within the particular amounts appropriated to the separate services for which grants are made.

Sir *W. Barttelot.*

347. What machinery is this?—It is machinery for the dockyards themselves.

Mr. *W. H. Smith.*

348. I should like to ask you, as an accountant, whether you are not advancing a doctrine which is very likely to imperil the accuracy of the account?—Yes, I think so.

349. Of course the object we have in view is to give information to Parliament as to the actual cost of every service, and every Sub-head of a service?—Yes.

350. You contend that it is your duty to charge to contingencies part of the cost of the machinery,

NAVY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

machinery, because you say that you are tied up by the general terms of the Appropriation Act, so that you may not exceed the amount granted for the particular year for this item of machinery?—Yes.

351. The result may be, if your doctrine is correct, that you may provide in the Estimates for 20 per cent of the cost of the machinery, under the head of "Machinery," and charge it accordingly, and charge 80 per cent. to contingencies?—It is not my doctrine at all; it is the doctrine of the Appropriation Act. I demur to the doctrine altogether.

352. The Appropriation Act is intended to secure information being given to Parliament on these points?—Yes. When this question arose in 1862–63, I advocated, to the best of my ability, that any enactment in the Appropriation Act which led to disintergrating expenditure by putting one part of the cost of a service under one Head and another part under another Head must make the accounts fallacious.

353. Then you agree in principle with the Comptroller and Auditor General?—I do.

354. And if you were not hampered by the strict terms of the Appropriation Act, as you construe them, you would fall in with the views of the Audit Office?—I should certainly do so.

355. In fact, it would be a relief to you if the Committee made a recommendation in consequence of which the terms of the Appropriation Act were altered if necessary, or at all events a rule was laid down which would enable you to charge all the expenditure for the same service under the same Sub-head?—I think if the Appropriation Act would allow heads of departments to exercise some discretion it would be better for the accounts, and we should lay ourselves open to less inquiries on the part of the Audit Office.

Lord *F. Cavendish.*

356. (To Mr. *Welby.*) Do you agree with Mr. Walker's interpretation of the Appropriation Act?—It appears to me that Mr. Walker puts rather a strict interpretation on the Appropriation Act; as I understand it, it only appropriates a certain large sum under each Vote. If I understand Mr. Walker rightly, he would say that the Appropriation extended to all details of the Vote. (Mr. *Walker.*) No; to the Sub-heads. (Mr. *Welby.*) I do not think the Appropriation Act would prevent such a mode of charging expenditure as is desired by the Audit Office.

357. Do I understand that you consider that the Appropriation Act does not extend to the Sub-heads of a Vote?—Yes; so I should say.

Chairman.

358. (To Mr. *Walker.*) On paragraph 2 there comes a question as to 12 *l.* 10 *s.* on account of a passage being charged in the account as a final payment. In this case was there any doubt that the sum would be repaid?—We had every reason to expect that it would be repaid; it has not yet been repaid by the War Office, but we kept the account open until the last moment, in order that it might fall to be repaid within the year, if possible. I would say in regard to that that there is a very much larger question involved here. If we are only to pass to the credit of the Votes of the year, repayments on account of sums that

NAVY APPROPRIATION ACCOUNT—*continued.*

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Chairman—continued.

have been paid in that year, you must extend your investigations not only to passages as between the Army and Navy, but you must go into the complicated system of our supplies of stores.

359. Keeping to this point first of all, in the correspondence which is appended in elucidation of this discussion, the Comptroller and Auditor General calls attention to a circumstance which occurred in April 1873, in regard to a charge for the passage of two children of a carpenter going out to the Cape of Good Hope. There it was foreseen that the amount would be repaid by the carpenter, because it would be deducted from his wages?—Yes.

360. And in that case the opposite course was pursued from that which has been pursued on the present occasion?—Yes.

361. It was not charged as a final payment?—It was not; because in that case that exact amount was known, and the time of payment was known; the circumstances were therefore exceptional, and we were enabled then to treat it as an imprest transaction. In this case the amount is not known concurrently with the period of the claim, nor is it known at what time it will be paid. Independently of that, if you refer to the Navy Estimates under Vote 17, for passages, you will see that we recite certain credits to come in. Those credits represent repayments not necessarily within the year, but repayments generally, in diminution of the gross charges. Therefore, so long as this vexed question of extra receipts is left open (and it is open now), there must be divergence both of practice and of opinion.

362. Then although when I asked you at first whether you knew that this 12 *l.* 10 *s.* would be repaid, you said that it would, you qualify that now by adding that you do not know whether the full amount will be repaid, not when it will be repaid?—As a rule, I do not.

363. I mean in this particular case?—I did in this particular case. I assumed that it would be repaid, and if it was not, I assumed that it should not fall under the treatment of the prior year's adjustment, which has now involved the Naval Votes in a charge of over 14,000 *l.* In three years we allowed to remain against the Naval Votes sums amounting to 14,000 *l.*, which, upon adjustment, have gone into the Exchequer.

364. How does this passage money differ from the passage money of the children of the carpenter?—Because in that case we knew the amount, and we knew the time, and in this case we knew neither. We knew, in that case, that the money would be deducted from the man's wages, and we treated it exceptionally as an imprest account. I do not approve of that; but the whole extra receipt question lies bound up in this case, because the amount of credits anticipated from all sources is shown on the face of the Estimates which, in the case of the Vote which defrayed the passage of the carpenter, is not so shown.

365. You say that you cannot treat it as an imprest unless you know the exact amount, and when it will be repaid?—Yes; and in the majority of cases having reference to passages, I do not know the exact amount, and, independently of that, I do not know whether the claimants for sums which have been incurred for passages in the year 1875–6 will ask for their payment within

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Walker*, and Mr. *Edwards*.

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NAVY APPROPRIATION ACCOUNT—*continued.*

Chairman—continued.

that year, or whether they will ask for it in the year 1876–7. Therefore, to make the repayment, as a rule, germane to the year when it has been incurred, is doing something for a repayment which I do not do for the original claim.

366. Are there many of these cases?—Yes, they occur constantly. It is the practice of officers invariably to contribute a portion of the passage, and these repayments have invariably gone to the credit of the Vote.

Lord *F. Cavendish.*

367. It is the practice of officers invariably to pay a portion of the passage for taking their servants out, and not to pay the whole expense. I see this is the case of a female servant?—There are prescribed regulations for passages; they are subject to a variety of circumstances, and we find that they are so stated to us by the War Office that we cannot put a precise sum against an individual in the ledger; we are forced to put an approximate sum.

Chairman.

368. In the first paragraph of the letter of the 7th May 1873, Mr. Lefevre, writing on behalf of the Admiralty, says that the Lords of the Admiralty will be glad to receive from the Comptroller and Auditor General a further expression of opinion on the point; did you receive any further opinion in writing from the Comptroller and Auditor General?—None that I recollect.

369. (To Mr. *Ryan.*) You have heard Mr. Walker's evidence; have you any observation to make upon it?—With reference to the original charge of 12 *l.* 10 *s.*, the voucher distinctly stated that it was not chargeable to the public. We, of course, have no other information than the voucher which came before us, and the view we held was that, as it was admitted in the document itself that it was not a charge against the public, it should not have been charged as a final payment against the Vote. The question whether abatements are shown upon the face of the Vote or not affects, no doubt, the extra receipt question of whether credits are to be allowed to the Vote, or whether the sum should be paid into the Exchequer; but it does not, in our opinion, affect the question of whether an improper charge should be placed as a final charge against the Votes or not. It appears to us that it is quite clear that if a charge is not a proper charge against the public, it should not be charged finally against the Naval Votes, and we cannot so allow it. To take the second point raised in one of your questions; if there is any doubt whether the charge is to be a charge borne by the public or not, then we, knowing that the Admiralty cannot at the time say whether it is a proper charge or not, have admitted it; and that is the point which is dealt with in this letter of the 7th May 1873. We have admitted the course there laid down, that where a charge may or may not become a proper charge to the public, we should allow it to appear against the Vote, but where we know it is not a proper charge against the public, we do not allow it to appear against the Vote.

370. What would you say in the case of a payment concerning which the exact amount that

NAVY APPROPRIATION ACCOUNT—*continued.*

Chairman—continued.

was to be charged against the public, or the time at which it will be repaid, is not known?—If any portion of the amount will become a proper charge against the public it would fall rather within the category of this letter; but in this case, as far as our information went, no part of it would become a charge against the public. The voucher stated upon the face of it that it was not a charge against the public at all, and therefore, in our view, it did not come within this category.

371. Consequently, what was before you was, that no part of this sum could become a charge against the public?—Yes.

372. (To Mr. *Walker.*) I understood you to say that you did not know whether it might or might not become a charge against the public?—It happened in this particular case that it was so stated, but it is obvious that it would be useless to legislate for a remote exception, but we must consider the numberless cases of the same character where no such statements are made, and where the payment is temporarily made out of Naval funds. To treat merely this one case outside of the general principle would land us in inconveniences. When you settle the question of extra receipts, and decide whether repayments shall go into the Exchequer, or whether you will have departmental credits, matters of this kind cannot come under discussion, but now we are hanging up the whole extra receipt question, and everything that depends upon it.

373. You say the case of the carpenter was quite an exceptional case?—Yes.

374. This is a case in some respects like the case of the carpenter, but it is not so strong a case?—Yes, undoubtedly it is not so strong a case. Here it appears upon the face of the voucher that the payment will not become a charge upon the public. If we are to follow a different system in future, we must not wait for the voucher happening to show this, but we must arrange a whole system of legislation to bring that to the front. We say that so long as the present system continues, an exceptional case of this kind must fall into the general groove.

375. Judging from the position that you are now taking up, I should conceive that if you had to deal with the case of the carpenter over again you would not deal with it as it was dealt with?—I did it then reluctantly, and I should not do the same thing again by my own motion at all, because I think it vitiates the accounts.

Mr. *W. H. Smith.*

376. Then you advocate this course as one which tends to the accuracy of the accounts; is that so?—I do, and I regret that we have charged 14,000 *l.* as due on the Navy Estimates for the last three years, on account of the adjustment of prior years feeding, as I venture to think improperly, the ways and means of the Exchequer.

Chairman.

377. (To Mr. *Welby.*) Have you any observation to offer upon what has been said by Mr. Walker and Mr. Ryan?—This case has not been officially brought before the Treasury, and therefore we have no more cognisance of it than that which we have acquired in this discussion; and from

NAVY APPROPRIATION ACCOUNT—*continued.*

Chairman—continued.

from what appears in the correspondence, I think the view of the Treasury would in this case be in favour of the argument of the Comptroller and Auditor General.

378. With regard to the third paragraph, which refers to the unsettled accounts between the Admiralty and the India Office, and a suggestion made or approved of by the Committee on Public Accounts last year, that there should be a meeting of the representatives of the departments concerned in order to arrive at a settlement of the matters in dispute; what progress is that making?—In the course of last year, in order to carry out the suggestion made by the Committee of Public Accounts, a committee was appointed, which sat and investigated the question during the winter. They have reported, and the Treasury consider that their report is of a nature which will within a very short time enable a complete settlement of the vexed question to be made. Their report is very elaborate, and it has cost a considerable amount of labour in going through large masses of vouchers extending back for a long time. Letters have already been addressed to the Admiralty and to the War Office with a view of closing the outstanding accounts in their books. An application has also been made to the India Office stating what the amount of claim against the India Office is, and we have reason to believe that in a very short time we shall receive the answer of the India Office, and as the case has been put very clearly and succinctly before them, I should hope that their answer will be a final one.

Lord *F. Cavendish.*

379. Was the India Office represented upon this committee?—It was originally proposed that the India Office should be represented upon the committee, but inasmuch as each of the departments concerned was to be represented, namely, the Army and Navy Departments, the Treasury, and the Audit Office, the India Office thought that they would be in a minority, and the Treasury agreed to consider the question among the Imperial Departments first of all, and then to confer afterwards with the India Office upon the result.

Mr. *W. H. Smith.*

380. I may put it in this form, may I not: so far as the Army and Navy Departments, and the Treasury and the Audit Office are concerned, the argument has been arrived at?—Yes.

381. And these are accounts which go back as far as the year 1848?—Yes.

Chairman.

382. (To Mr. *Ryan.*) You have nothing to add to that statement, I suppose?—Nothing whatever.

383. (To Mr. *Welby.*) Upon paragraph 4, which deals with the question of extra receipts, we understand from the evidence which was given before the Committee of Public Accounts last year, that a committee had been appointed of the different departments in 1873, or early in 1874, and that a definite scheme was under consideration by the Treasury so long ago as May 1874, and in March 1875 we were told that it had been unofficially submitted to the Admiralty, but that it had not at that time been submitted

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to the War Office; what is the position of the matter now?—The result of that was that we had an opinion expressed at length by the Admiralty in the same form, that is to say, in an unofficial form; the Treasury then took the question into consideration, and they came to the conclusion that it was necessary before they could arrive at any final conclusion upon the question, to have before them from the different departments of the State a recapitulation of all the services that one department performs for another, and, therefore, very shortly after, or about the time when the question was before the Committee last year, the Treasury sent a circular to all the departments to request them to bring before them in detail a statement of all the services which they performed for other departments. By far the larger part of the answers are in, but a certain number of them are still wanting, and the Treasury a short time ago wrote to the departments which had not sent in answers, to request them to complete their returns and send them in, in order that from the different returns a statement might be made out which would show to the Treasury the field over which they had to act.

384. When you get that complete information from the different departments, do you expect that you will be in a position to arrive at a conclusion shortly?—I think that the question has been so fully debated at present that the Treasury has all the materials in its hands for arranging a scheme which in their view would settle this question. Of course, speaking beforehand, I cannot say whether that scheme will be acceptable to the departments generally or not. In fact, the collection of those statements of all the services which one department has to perform for another, is necessary to the elaboration of such a scheme, in order that the Treasury may be aware what effect their scheme will have in the case of each department.

385. Do you think you can give us an assurance that when this Committee meets next year the conclusion will have been arrived at?—It would be rather a dangerous thing to give such an assurance, but I believe that nearly every question which has been raised by the Public Accounts Committee, with the exception of this, is in a way to be settled this year; and our trust is, that there will be no other question outstanding, except this extra receipt question, to occupy us after this Committee has reported.

386. Then when Mr. Blackwood told us in May 1874, speaking on this question of extra receipts, that "a very definite scheme is now under consideration at the Treasury, which it is hoped may soon succeed in bringing about a satisfactory settlement of the question," that very definite scheme was only a basis?—I should go further than that. I think it was a very definite scheme, only it was a scheme very difficult of application throughout the service. You will understand that at every turn some question connected with extra receipts, or the relations of one department with another in money matters, comes up, and it is extremely difficult not to be tripped up by the complications which arise in different parts of the service.

387. (To Mr. *Ryan.*) Passing on to paragraph 5 which relates to the question of Naval and Mili-

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Chairman—continued.

tary audit, we were informed last year that the Treasury had sketched out a plan for the audit of the War Office expenditure, and that they hoped to obtain the co-operation of the Comptroller and Auditor General in maturing it. The Report of the Comptroller and Auditor General, however, says that the Audit Office had received no communication upon the subject at the time the Report was made; have you up to the present time?—No, I think not.

388. (To Mr. *Welby*.) What is the position of that question now?—I believe I may state that an arrangement has been agreed upon between the Treasury and the War Office, and that arrangement we are about to communicate to the Audit Office. Perhaps the question might be taken upon the Army Account, because up to the present time the Treasury have confined their communication to the War Office with a view of making the settlement with one department first.

389. You told us last year that the Treasury had gone through the different items of military expenditure, and had come to the conclusion that the War Office expenditure might be divided into two large classes, the personnel and the store and work Votes, and that it was to be a test audit, and that you would be glad to obtain the co-operation of the Comptroller and Auditor General, and that you propose therefore to ask his co-operation with you in dealing with 4 or 5 Votes, which comprise stores, supplies, and buildings. You were then asked a question as regards the Admiralty, and you said that you had dealt only with the War Office with the view that the principle adopted in the case of the War Office would, of course, apply to the Admiralty *mutatis mutandis*?—Yes.

390. Since that time you have made no further communication to the War Office, and taken no further steps with regard to the Admiralty?—No. In the autumn there has been a considerable amount of discussion with the War Office upon the basis of that scheme which I described to the Committee last year, and I believe I may state that the War Office and the Treasury are agreed as to the nature of that scheme, and therefore there is no difference to be apprehended between these two departments. Therefore, the Treasury are in a position now to go to the War Office, and make a distinct proposal to them of the details of the scheme they propose to ask them to carry out.

391. Then you are upon the point of doing that?—We are upon the point of doing that, and we trust we shall be able to have the letters laid before the Committee at the time they take the Army Account.

392. And when will the Admiralty be addressed upon the subject?—The view of the Treasury has been, that if it is possible it would be desirable to settle the question as regards the War Office first, before passing on to the Admiralty.

393. If you arrive at a settlement of the question with the War Office, do you anticipate that there will be any great difficulty or delay in settling a corresponding arrangement with the Admiralty?—Personally, I think it would be a desirable thing to give the War Office system a trial first of all, and let the Comptroller and Auditor General see his way with that before asking him to double his work, that is to say, before undertaking the extended audit at the Admiralty at the same time; but when once the arrangement has been made with the War Office, I can see no reason why there need be any further delay in applying to the Admiralty.

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Chairman—continued.

394. In fact, you are not quite so sanguine as to the success of the scheme as you were at this time last year?—I am very sanguine about it, entirely sanguine about it; only one knows that in cases of this sort difficulties and questions very often arise which require to be solved before you get a new system to work; as far as I am concerned I do not see any difficulty in carrying out the scheme.

395. (To Mr. *Walker*.) You have not seen the scheme?—I have not seen the scheme, but I am prepared to lay before the Committee a paper which I drew up at the request of the First Lord, in anticipation of a debate which was to take place last Session on Mr. Holms' motion with regard to audit, and it is only for the Committee to consider whether as that is to be renewed this Session, I am out of place in putting before them the views which I entertain with regard to the audit by a department outside ourselves over and beyond what obtains at present; I cannot share, I must confess, in the sanguineness of my friend, Mr. Welby, as to the necessity or the practicability of its application to the Navy; I should also wish at the same time, as bearing upon that point, to put before the Committee a paper which I have written upon the extra receipts question, because I must confess, for the Naval Department, I should like both those papers to occupy a position in the permanent records of this Committee (*handing in two papers*).

396. (To Mr. *Ryan*.) Do you wish to make any observation upon this subject?—I have no information, and, of course, can offer no opinion upon it.

397. (To Mr. *Walker*.) Last year the Committee in their Report called attention to the large deficit on the Navy Estimates, and also to the circumstance that the insufficiency of the provision for the year had not been brought under the notice of Parliament before the close of the succeeding Session, and the same circumstance has occurred again this year; there is a deficit in round numbers of about the same amount as last year, and it was not brought to the notice of Parliament before the passing of the Appropriation Act at the end of the Session of 1875; what observation have you to make upon the large amount of the deficit; the deficit arises principally upon the same two Votes as the deficit of last year, I think, namely, Vote 2 and Vote 10?—Yes.

398. In regard to Vote 2, what have you to say by way of explanation. There is a deficit of 43,046 *l.* 3 *s.* 3 *d.* on Vote 2 for victuals and clothing, and there was a deficit of a large amount, I do not know how much, upon the same Vote last year?—I am unable to add anything to the explanations which are given, both of Vote No. 2 and Vote No. 10, because, as I ventured to state to the Treasury Committee which has been recently sitting at the Admiralty upon Store business, I, as the Permanent Finance Officer of the Admiralty,

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Chairman—continued.

Admiralty, was not acquainted with the basis of the preparation of the Estimates, nor was I acquainted with the expenditure incurred concurrently with the year. The Navy Estimates, with the preparation of which, up to 1869, the Permanent Finance Officer of the Admiralty, the then Accountant General of the Navy, had been associated, have since that time more or less been made the subject of individual preparation by specific members of the Board, and the Permanent Finance Officer has not been aware of the basis on which the Estimates had been prepared, nor has he been conversant with the liabilities out of which the expenditure arose. The Committee were pleased to examine me at considerable length upon that point, and I ventured to suggest to them that the regulations which had obtained in my experience from 1833 to 1869, that is, from the day of Sir James Graham to those of the Duke of Somerset, were, as I thought, beneficial both for departmental record of expenditure and for control of expenditure. I laid before that Committee what was the principle then adopted, namely, that there were Estimate Boards, and although that did not interfere with the preliminary investigation of certain Estimates by individual Lords, yet collectively the final approval of those Estimates was made the subject of the consideration of an Estimate Board composed of all the Lords of the Admiralty, with the Parliamentary Secretary and with the Permanent Secretary. Mr. Ward Hunt, the First Lord of the Admiralty, having probably read this evidence of mine, sent for me, and he asked me generally whether I thought that a considerable portion of this divergence between estimate and expenditure, and more particularly whether the repetition in 1874-5 of what had occurred in 1873–4, was due to a considerable degree to the fact that I, as Accountant General of the Navy, knew nothing of the basis on which Vote No. 10 was prepared. I said that I thought it was distinctly referable to that cause, as also the excess upon Vote No. 2, of neither of which did I know anything. He evidently, at all events upon re-consideration, thought that the view I had suggested to him was the correct one, and he issued a memorandum under which the Permanent Finance Officer of the Admiralty resumed the position even in a more extended degree than that which he had before the year 1869, in the preparation of the Estimates for 1876–7, which will shortly come under the discussion of the House. I have been present at a collective Board upon those Estimates, and every Vote, from the first to the last, has come before that Board. To a certain extent I have had impressed upon me the responsibility of understanding, not the policy, because that does not at all refer to finance, but the accounting element, the finance element which underlies all these Votes; I have also been authorised by the First Lord to prepare such a system for the prompt rendering of information of liabilities as to be able to watch the progressive outlay, not only under any one particular Vote, but under all the Votes, so as to be enabled from time to time to form a calculation as to our position to the best of my ability; looking to the incertitude arising from expenditure going on all over the world which attaches to the Naval Department, and which

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the Duke of Somerset considered to be of a character so difficult to define, that in his day he thought that a margin of 100,000*l.* upon the whole Naval Estimates ought to be open for casualties which might occur. I think that with the greater accuracy which is obtained now since the time when he expressed that opinion, a margin of 50,000*l.*, or somewhat less, will suffice, but I still hold that with five millions of money out of ten millions paid by imprest accountants all over the world, liable to all the fluctuations in quantity and in market prices and such things, it is perfectly impossible to reduce to anything but an approximate amount the expenditure by anticipation as compared with that which will actually occur. The Treasury, I think, properly considering that this very large excess on Vote No. 10 was a very grave matter, addressed to the Admiralty a letter calling for a full and complete explanation as to the cause of the divergence between estimate and expenditure, and also why it was that, as you very properly remarked just now, having something like a definite notion of it, we had not asked Parliament when it was sitting for a Supplementary Estimate. The whole of that matter has been so exhaustively treated in our reply, a copy of which I have here, that with your permission, looking to the gravity of the question, and feeling my perfect incompetence by a mere conversational explanation to give you an idea of our case adequate to the emergency of the question, I should like to put it in (*handing in a letter*).

399. Does that letter explain to any extent the internal change which has taken place in the Admiralty?—Yes; and with that letter is given the First Lord's Memorandum, so that it will supply to you an explicit explanation with regard to the incident of the excess, and it will place before you the altered mode of departmental arrangement by which it is hoped, not to prevent the surprise of an emergency, but to prevent so great a divergence between estimate and expenditure as this implies; and it more or less deals with the whole question of the Estimates of the future and the expenditure of the future.

400. You spoke just now of the difficulty arising from the Naval expenditure going on all over the world, but I see on page 35, under Vote 10, the explanations given refer to a number of Sub-heads of the Vote which are bracketed together, but there is assigned as one of the causes to which the deficit is largely owing, the provision taken under the Vote for the construction of iron-clad ships, and the employment of additional workmen having been inadequate; that was at home?—Yes.

401. Why was that inadequate?—If you will permit me, I would rather refer to the letter I have put in. It is a question with which I have no concern as a finance officer, and in that letter all the circumstances are given to you under which the unanticipated excess upon that item occurred.

402. Briefly, your answer is that, so far as you as the Accountant General of the Navy are concerned, in fact, you were not consulted as to the amount to be taken for that Vote?—Just so; I was not consulted at all.

403. You simply took the figures which were

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Chairman—continued.

given to you as adequate by another officer of the department?—Precisely so; I took them just as I found them.

404. The explanation of the deficit by saying that the Vote taken was inadequate, I presume, you will admit is not much of an explanation?—It is a statement of the fact, not an explanation.

405. Another explanation which is given upon the same page 35, is that the supplies of stores to other departments, on re-payment have fallen short of the estimate to the extent of 55,000 *l.*; does that mean that the Admiralty did not dispose of so many stores to other departments as it expected, or that it has not been paid by the other departments for those which it did supply?—Not the latter. It implies that the Admiralty anticipated that more would be taken by other departments, especially the Indian Government, with regard to its troopships. The Admiralty expected that the War Office and other departments would require a certain quantity of stores amounting to that estimated sum, and they bought the stores under the impression that they would be recouped for them by those departments. As it turned out, those other departments did not want them, and there they are; the Admiralty have them in stock for future purposes, but they led to an exceeding of this Estimate in this year. We thought that our outside neighbours would be likely to take 170,000 *l.* worth of stores, and accordingly we provided for that amount, but our outside neighbours only took 150,000 *l.* worth, and therefore we have got 20,000 *l.* worth beyond what we provided for in our Vote, because we take our Vote for the net amount, after deducting the supposititious credits.

406. I do not quite understand the next explanation, which is, that the excess is "due to expenditure by officers of Her Majesty's ships abroad having exceeded the Estimate," and so forth, and then lower down, "payment of arrear claims by the Indian Government." I do not understand how payment of arrear claims by the Indian Government is an item of expense?—It means the arrear claims of the Indian Government upon us. I am not sure that the wording is exactly correct.

407. Then it should be "to the Indian Government?"—Yes, quite so.

Mr. *Seely*.

408. There is an item of 98,564 *l.* of excess on Sub-head B. for metals, and so forth, which relates to the construction of iron-clad ships; what was the amount of the grant on which this 98,564 *l.* was an excess?—£. 387,300.

Chairman.

409. With regard to Vote 2, at page 15, I see that one very large item of the deficit, amounting to upward of 32,000 *l.*, is also for an item of expenditure at home, not abroad; what is the explanation of the inadequate estimate in that case?—In the first place there was a deficit of 16,000 *l.* for boys' kits, for which no provision had been made at all, and then there was an exceeding expenditure to provide cloth for other departments which they did not require, and consequently did not repay us for.

410. Therefore the Admiralty did not sell as much as it expected to sell to other departments, in that case?—No.

411. In regard to this large addition of 16,000 *l.* for boys' kits, how came that not to be submitted to Parliament in a Supplementary Estimate?—We had a certain amount of sanguineness at the time that we should have surpluses under other Votes to meet that, but in that, as in other instances, our surpluses decreased, and our excesses became enhanced, and consequently we had not the means which we thought we should have as the general result of the aggregate Votes to meet this 16,000 *l.*

412. I think the same disappointment befell you last year?—Yes; it was with a view to meeting these surprises and disappointments, that the memorandum was issued by the First Lord, which I have handed in; I think that will prevent them in future.

413. With reference to the point that the insufficiency of the provisions for the service of the year 1874-75, was not brought under the notice of Parliament before the close of last Session, what is your explanation of that?—If you will permit me I will read that part of the letter which refers to it; I should mar the thing by giving you a brief description of it; it is stated there very well; perhaps you would not object to having the letter read through.

414. Could not you tell us the substance of the important parts of it?—I could not take it up piecemeal; but the whole case is answered there from a point of view which I think the Treasury have been pleased to accept.

415. We should prefer to have a short statement of it from you?—The whole question lies bound up in this fact that the Admiralty did anticipate that all round we should be in a solvent condition at the end of the year; but numerous circumstances occurred, such as the unanticipated deficiency of credits, and the exceeding upon Vote No. 2 from the circumstances that are mentioned in these papers, together with other circumstances, the result of which, in fact, was the unanticipated large increase; this did not transpire until an advanced period of last year; the matter then came to the front, but the First Lord considered that, as even then there was such a large amount of money or imprest susceptible of being different in its result from what had been anticipated, we should wait for the final condition of the account as exhibited now, before we asked for a Supplementary Estimate.

416. Last year the substance of the explanation given in regard to the insufficiency of the provision for the year 1873-74, not having been brought before Parliament before the close of the Session of 1874, was this, that immediately before the close of the financial year 1873-74, the Accountant General trusted that the surpluses on some Votes would counterbalance the excesses then apparent upon others?—Yes.

417. And substantially you give the same explanation as regards the same circumstance for the year 1874-75?—Yes; not to a similar extent, but in the same direction.

418. The amount of the deficit is greater?—Yes; I am bound to state that the result of the accounts for the year 1874-75 landed the Naval Department in a larger excess than was anticipated, until the year had so advanced that it had become

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become impracticable to deal with it in the shape of a Supplementary Estimate.

Mr. *W. H. Smith.*

419. I understood you to say that you accounted for these excesses by the fact that you had no part, or at all events no proper influence, in the preparation of the Estimates?—I was not cognisant of their basis.

420. But I suppose you have always been cognisant of the expenditure?—Of the expenditure incurred, not the liabilities incurred.

421. We will take Vote No. 10, for example; that is a Vote of something like 1,200,000 *l.*, is it not?—Yes.

422. And it is upon that Vote that the great excess has occurred, is it not?—Yes.

423. Then, as Accountant General, were you altogether ignorant of the fact that the expenditure during the year 1874-75 was in excess of the proportion, month by month, which ought to have been expended on a Vote of 1,143,000 *l.*?—I was simply aware generally of the fact that the expenditure was in excess of the Estimate, but of its extent or character I knew nothing.

424. So large an excess as rather more than one-sixth of the Vote is, one would imagine, under any system of account, sufficient to excite a considerable amount of uneasiness in the accountant, is it not?—If I were held responsible for the amount of the Vote, I should esteem it my duty to exercise a watchfulness and discretion, but I am not responsible.

425. Are you not, or were you not, responsible for drawing the attention of the First Lord, or of the Financial Lord of the Admiralty, whoever he may be, to the fact that your expenditure was going on at a greater rate than was anticipated?—I did so to the extent of my ability.

426. Yet within six weeks of the end of the year you were not capable of impressing upon the First Lord of the Admiralty the necessity of obtaining a Supplementary Estimate?—I stated the facts of the case to the First Lord of the Admiralty.

427. But, as I understand it, those facts of the case were coloured with such a sanguine estimate of what was to be saved in other directions that you were still of opinion that no Supplementary Estimate was necessary?—I should not go so far as that.

428. Did you state to the First Lord of the Admiralty that a Supplementary Estimate was necessary?—I fulfilled the duties of my situation as a permanent finance officer to represent the facts of figures; I did not consider that it lay within my jurisdiction to indicate policy to my masters.

429. Are we to understand by that, that you did convey to your masters information that led them to believe that there would be a deficiency of 250,000 *l.* upon that year's account?—No, I was not able to do that at that time. There was so much uncertainty, and so many millions of money were still unrecorded in our books, that I state now as I stated then, that all I could do was to give a fair assumption of what might occur, but certainly not to indicate it with greater precision.

Lord *F. Cavendish.*

430. What was that fair assumption that you

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gave?—At that time we did anticipate certain surpluses on some Votes in which we were disappointed; and, upon the whole, with the uncertainty there was arising from two or three millions of expenditure not having been brought to account, all I could do was to indicate the probability of an exceeding, but of the extent to which it would reach I was not aware at the time; and not being aware, it was not my duty, as I conceive, to make a different representation than I did to the First Lord with regard to the probabilities.

431. You gave him no idea whatever of what the amount of the excess would be?—I cannot say that I gave him no idea whatever, but I indicated such a sum as left it entirely within his jurisdiction to determine whether he would wait for the conclusion of the year's account, or whether he would make it the subject of a Supplementary Estimate.

432. Cannot you state what the sum was that you mentioned?—It is in the letter I have handed in; there is great disadvantage in discussing the question without reading that letter.

Chairman.

433. You can pick the sum out of the letter, at all events?—I will do so.

Mr. *W. H. Smith.*

434. While that figure is being looked for, I want to ask what greater security we shall have under this new arrangement that you have described, which is to give you a knowledge of the basis upon which the Estimates are prepared than we have at present, with the knowledge that you possess, or ought to possess, as Accountant General, of the rate at which expenditure is progressing in the course of the year, that these excesses will not occur in future, at all events, without a Supplementary Estimate being taken. As Accountant General of the Navy, is not your knowledge of the rate at which expenditure is progressing of greater real moment and importance than your knowledge of an estimate made twelve months previously, and the intention at that time to spend the money?—It is with that view, as you will see by the memorandum of the First Lord, that he has laid down certain arrangements by which, in association with all the spending departments, the permanent Finance Officer of the Admiralty will be put into immediate and complete possession of all liabilities, and also of the expenditure which has been incurred, if not defrayed. Consequently, by being able to watch that, my knowledge will not be merely limited to the expenditure that has actually come in course of payment, but it will extend to the expenditure which has come in course of liability to be defrayed, and, taking these two heads together, I shall then be able to compare the expenditure as it progresses with the estimate that has been laid before Parliament.

435. Are we to understand that under the system which has prevailed hitherto, you have had no knowledge of the expenditure which was to come in course of payment during the remaining months of the financial year?—None.

436. Do you attribute this deficit to the non-existence of any regulation which would inform you of the amounts coming in course of pay-

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Walker*, and Mr. *Edwards*.

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NAVY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

ment in the remaining months of the year?—It was so considered by Mr. Ward Hunt, and he made that memorandum accordingly.

437. Do you agree with that view?—I do.

438. How long has the Accountant General of the Navy been in entire ignorance of the liabilities of the Admiralty during any portion of the financial year?—Speaking from my own personal experience, I should say that, more or less, he has been partially uninformed since 1869.

439. Has it been open to any spending officer of the department to incur liability, to send in accounts, and to forward claims for payment without the previous knowledge of the Accountant, or without any notice to him of any kind?—Yes.

Chairman.

440. Do I understand that the want of information on the part of the Accountant in regard to the liabilities of the Admiralty has been increasing since the year 1869?—I think that that has been the tendency.

441. Has the system which was introduced in 1869 been modified from time to time between 1869 and the present time?—Speaking from my own impression, it has been modified in what I venture to think is the wrong direction.

442. What is the nature of the modification since 1869?—I think the tendency since 1869 has been to keep the finance officer less informed of the facts as to liabilities than he was before.

443. You say that the want of information has been growing; what I ask is, have there been modifications in the arrangements of the department since 1869?—I think so.

444. But you must know; I mean affecting the information of the Accountant General?—All I feel is this, that I have known less year by year.

445. You told us that you had known less, and you attributed that principally to the system that was introduced in 1869?—I think it is the legitimate outcome of that system altogether.

446. You think that the growth of the want of information has proceeded naturally year by year from that system?—I think so.

447. But have any modifications been made in that system since 1869?—No, not modifications in principle, but the natural extensions of practice arising out of that system.

448. And those extensions have been less and less favourable to the information of the Accountant General?—Yes, certainly.

449. For how many years in succession have there been large deficits?—I do not know. I am told that this is the second year.

450–1. We know that there was one last year, and that there is one this year; but I should like to know what have been the deficits year by year since 1862–63?—I cannot answer that question at the moment. (Mr. *Edwards.*) I think in the previous years there were Votes of credit which entered very largely into the calculations as to whether there would be deficits or not. Most of the expenditure incurred on which there has been a deficit has been War Office expenditure under Vote No. 17.

Lord *F. Cavendish.*

452. Has there been a deficit at all except in the last two years?—Yes, on this particular Vote.

NAVY APPROPRIATION ACCOUNT—*continued.*

Lord *F. Cavendish*—continued.

453. I am speaking of the Naval Votes as a whole; is it not the case that there has been a surplus in every year since 1869, except 1873-74 and 1874-75?—There was a surplus of a small amount on the ordinary grants for ordinary expenditure, but the excess of expenditure on the Naval grants apart from the Votes of credit was very large indeed; it was met out of Votes of credit.

Chairman.

454. (To Mr. *Walker.*) Will you prepare and put in a statement showing what has been the state of things as to surplus or deficit on the Naval Estimates in each year from 1862-63 to the present time, stating the excesses and deficiencies for all the different Votes in each year, as well as the total result?—Yes.

Mr. *W. H. Smith.*

455. I think you said that the fluctuations of price and quantity rendered it necessary in your judgment that there should be a certain margin on the half of the Naval Vote which goes for expenditure, as distinguished from wages, amounting to 5,000,000 *l.*; why do you hold that opinion?—I have not conveyed the impression which I desired to make. I simply stated that the Duke of Somerset said that upon an expenditure of 10,000,000 *l.*, 5,000,000 *l.* of which is made upon imprest, and is not reducible to the precision of central action, it was very unsafe to give yourself a margin of less than 100,000 *l.*; that was his decided opinion, but I venture to say with the more prompt record we now obtain of expenditure, I think the margin might be reduced.

456. Do you quote that opinion of the Duke of Somerset as an opinion in favour of an excess varying from 50,000 *l.* to 100,000 *l.*; or as an instruction to a careful estimate clerk to make provision for contingencies?—Not the latter; but looking round at the critical period of the year, that is to say, as we are advancing towards the end of the year, and seeing how we stood, and what the sum upon the Estimates for contingencies was, it was the Duke of Somerset's opinion that we should not go too close in dealing with expenditure which was preventible, under the notion that the unknown expenditure would not land us in an excess.

457. That is exactly what I said; his opinion was that a careful estimate of the expenditure should be made beforehand, allowing for contingencies; as I understand you, he did not express the opinion that you were justified in spending a sum of money over and above your Votes, because of unforeseen and fluctuating liabilities?—He always considered that we should take into consideration the element of uncertainty, to the extent of 100,000 *l.* (I now say 50,000 *l.*), rather as adverse to us than favourable.

Chairman.

458. Why has that course been discontinued?—I think because the tendency of modern estimate making is to pare down.

Mr. *W. H. Smith.*

459. You say that the experience of years justifies you in saying that there should be a certain provision for contingencies; is not that a proper

NAVY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

proper element for an estimate?—It has never been so considered.

460. Do you really mean that that has not been considered?—It has not been considered in framing the Estimates.

461. A certain experience of unforeseen expenditure, extending over an average of years, is not taken into account in framing an estimate for a coming year at the Admiralty?—No.

462. Is that a doctrine which you, as an Accountant, consider to be a wise and sound one?—There is only one other alternative, which would be to take a sum in the Estimates for unforeseen expenditure, amounting to 50,000*l.*, or perhaps 25,000*l.*; but you do not estimate for a margin under a certain number of heads, although collectively you are bound to take contingencies into account toward the end of the year in meeting the expenditure.

Chairman.

463. You have not answered the question put to you by Mr. Smith, whether, as an accountant, you considered it wise not to take into account, in framing an estimate, unforeseen expenditure, which the experience of several years has shown to be constantly occurring?—I think we need not take that alternative; when we watch the expenditure on large Votes, which lie within our compass, and can be dealt with on the spot, if we see by some of the expenditure that we are coming close to the limit, I think the proper course is to abridge our expenditure in one year, and provide for it in another.

Mr. *W. H. Smith.*

464. In actual expenditure do you not find that there is an unforeseen saving by reduction in price and reduction in quantity, as well as an unforeseen expenditure by increase of price and increase of quantity in a large service like that of the Admiralty?—The result of my experience at the Admiralty is this, that the unforeseen element has been adverse and not favourable.

Sir *W. Barttelot.*

465. Then, as I understand you, you do not agree with the doctrine of the Duke of Somerset, that you should take a margin?—I think we should.

466. You told Mr. Smith, did you not, that in framing your Estimate you should make no allowance for contingencies?—Not in the Estimate; but on coming to deal with the expenditure all round I would defer some payments to the next year. I would meet it in that way.

467. I conclude that you would say that you should always have a Supplementary Estimate?—No, I should say if the House of Commons would give me 50,000*l.* every year for unforeseen expenditure I should prefer it as an accountant, but they will not.

468. That is not the point to which I am directing your attention; you said distinctly that the Duke of Somerset used to say that there should be a margin of 100,000*l.*, but that you thought that under the modern system it might be reduced to 50,000*l.*?—Yes.

469. Now you say that you do not think you ought to make any allowance for contingencies whatever?—Not in the Estimates.

NAVY APPROPRIATION ACCOUNT—*continued.*

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Walker*, and Mr. *Edwards.*

10 March 1876.

Sir *W. Barttelot*—continued.

470. In the gross Estimates for the coming year?—No.

471. You have a deficiency now on Vote 10; if you were going to frame the Estimate for that Vote for next year surely you would take that deficiency into account, should you not?—I should treat it in this way; if I had to deal with Vote No. 10, unless policy required me to exceed it, I should not exceed it, and if I did so I should ask the consent of the Treasury.

472. With regard to one other point, I understand you to say that it was too late to take a Supplementary Estimate last year when it came to your knowledge that there would be a deficiency?—I think I said it was considered too late.

473. Then let me ask you one further question; had you suggested, or had you not suggested, at that time that there should be a Supplementary Estimate?—I stated the case to the Board, representing the facts, leaving them to determine what course they should pursue.

474. But as their accountant, did you say, "There will be a deficiency here, and I suggest that you should have a Supplementary Estimate," or did you not say that?—I did not.

475. You did not give them any advice whatever?—No, not of that direct character.

476. Although you knew absolutely that there would be a deficiency?—I knew it generally.

477. A deficiency which ought to have been met, according to our notion of business, by a Supplementary Estimate?—That is the Parliamentary view of the case.

Mr. *Thomson Hankey.*

478. I want a word of explanation from you; when I understood you to say that you did not approve of adding sums for contingencies in framing the Estimates, I think you meant that you would not add to each separate Vote, but at the end of the whole of the Votes you would have a separate item for contingencies?—I should be very glad if it were so.

Mr. *Seely.*

479. What was that particular change of system in 1869, to which you alluded?—It was the practice of certain members of the Board taking particular Votes under their consideration, and then the Votes having passed through that preliminary inquiry, they took them to the Financial Secretary, and on to the First Lord, and that constituted the final action upon the preparation of the Estimates. In the preparation of the Estimates for the present year, 1876-77, all the advantages of the individual action of the members of the Board are maintained, but in the final stage all the members of the Board meet in their collective capacity as a Board, and the Estimates then undergo final consideration by that Board.

480. You say that a change was made in 1869; previous to that time what was the course pursued?—The practice was the same as that which obtains now.

481. Then you have returned now to the same practice as existed before 1869, when the change was made?—Yes.

Lord *F. Cavendish.*

482-3. You said that last year, when the question of presenting to Parliament a Supplementary

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Walker*, and Mr. *Edwards*.

10 March 1876.

NAVY APPROPRIATION ACCOUNT—*continued.*

Lord *F. Cavendish*—continued.

Estimate was under discussion, you stated to the First Lord of the Admiralty the facts of the case, but you have not yet stated what was the deficit which those facts presented for the year we are now considering?—That appears from the letter I have put in. (Mr. *Edwards.*) "On the 30th January 1875, from a provisional account of Naval Receipt and Expenditure, prepared jointly by the Accountant General's and other departments of the Admiralty, a deficit of about 20,000 *l.* was expected over the aggregate of the Navy Grants, after taking into consideration an expected deficit of 129,000 *l.* at that date probable on Vote No. 10, Section 1, and in view of the large amount of expenditure then remaining to be ascertained and brought to account, and also to be actually defrayed, my Lords felt satisfied at this probable result. On the 18th March 1875, however, my Lords were made aware by a farther provisional account prepared under similar conditions" (that is, by the Accounting Department, conjointly with the Spending Departments of the Admiralty, not by the Accounting Department alone), "that instead of this small deficit being probable, a considerably larger excess, namely, 140,500 *l.* over the aggregate of the Navy Grants was likely to be incurred, arising from the expected surpluses on some Votes having decreased to the extent of 24,000 *l.*, and expected deficits on others having increased to the extent of 17,600 *l.*, whilst the deficit on Vote No. 10, Section 1, had risen from 129,000 *l.* to 207,000 *l.*, owing chiefly to the repayments to the credit of that Vote on account of issues of stores to other departments of Government, &c., having fallen short of the amount abated from the sum otherwise required to be taken when the estimate was framed by 55,000 *l.*, the stores not having been issued, though purchased for other than naval services, and by the purchases of coal abroad, principally owing to the movements of the fleet at the time of the difficulty at San José, and of Her Majesty's ships at Zanzibar in connection with the suppression of the slave trade."

Chairman.

484. That was in March?—Yes.

NAVY APPROPRIATION ACCOUNT—*continued.*

Chairman—continued.

485. Have you got the state of things in July, a short time before the close of the Session?—Although the state of things in July is not given in this letter, I can tell you that at that time a considerably larger excess, to the extent of about 230,000 *l.* or 240,000 *l.*, was expected. But in view of the difficulty of getting the expenditure brought to account before its natural date, the 30th November, it was considered undesirable to put an excess Estimate before the House when it could not be ascertained what the precise amount of the excess would be.

Lord *F. Cavendish.*

486. (To Mr. *Walker.*) On pages 72 and 73 it appears that there is an excess of 24,831 *l.* for pensions and gratuities to seamen; what is the difficulty of calculating this Vote?—The difficulty is this: the casualties by death are, in the case of pensioners who have been pensioned at an old and much smaller rate of pension, but those who come on being continuous service men, and being pensioned at earlier periods, the tendency of that Vote is to increase in amount, so much so that you will notice in the Estimates of the present year, 1876-7, that we have put in a very large sum, and until we reach the full force of the higher pension, and the shorter service pension, the tendency of that Vote will be to increase rather than otherwise.

487. Is not that increase very easily calculated?—It stands just in this way; the War Office have heretofore given us from time to time the pensions, but in the Estimates for 1876-7 I think you will find that we have taken the matter for the first time under our control at the Admiralty. The result is, that we have re-produced from returns standing in our books with greater exactness what the growth of the expenditure would be. There will be less difficulty in future, now that we have taken it into our own hands, in arriving at the amount with accuracy.

488. In fact, the difficulty has arisen hitherto from the Estimates having been framed by another department?—I think so.

Mr. R. MILLS, called in; and Examined.

Mr. *Mills.*

Mr. *W. H. Smith.*

489. (To Mr. *Mills.*) I THINK you have been acting on a Committee at the Admiralty, have you not?—Yes.

490. And, as a Treasury officer of accounts, you have had very considerable experience of Estimates, and the mode of accounting for them. I should like to ask you whether you are of opinion that the expenditure ought not to come to the knowledge of the accountant of the department, so as to enable him to advise his superior officers as to the rate of expenditure in sufficient time to apply to Parliament for a Supplementary Estimate?—Yes; I am entirely of that opinion.

491. You have heard the evidence of Mr. Walker with regard to the fluctuations in the quantity and price of the stores supplied to Her Majesty's ships in different parts of the world, and of the large amount of money which is expended on the demands of imprest accountants; is there anything in the business of the Admi-

Mr. *W. H. Smith*—continued.

ralty, and in the course of business there which renders it more difficult than it generally is in any large account to obtain any accurate knowledge of the progress of the expenditure?—There are conditions and circumstances in the case of the Admiralty Accounts which no doubt render it unusually difficult to arrive at any exact knowledge of the condition of the expenditure as compared with the Votes at any particular time; but those difficulties are not, I think, insuperable. They affect a portion only, and not so very considerable a portion, of the Navy expenditure, and they are not such as ought to defeat the control of the department to any material extent. Mr. Walker has referred to changes which have just been initiated as a result of the evidence taken before the Stores Committee. I think he has also admitted what I have no doubt about in my own mind, that if those changes are loyally carried out in the department, there can be no recurrence of the circumstances which have been under

NAVY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

under the review of this Committee for two successive years in regard to the Navy expenditure except by the deliberate intention of the department. No doubt the imprest accounts are difficult to deal with. There is a difficulty in estimating alongside the record of actual expenditure at home what may have taken place up to the same date out of imprests abroad. But the Admiralty Stores Committee have elicited from the Accountant General that steps have been taken to obtain from all the imprest accountants abroad much earlier information (in an abstract shape, and in anticipation of the exact accounts) than had been usual before, so that the department can now keep itself informed more closely of the progress of that expenditure, which is the most difficult to control, namely, that which takes place abroad. I think that under the arrangements which have now been sanctioned by the First Lord, it will be simply inexcusable if any excesses arise in future which have not been anticipated and brought to the knowledge of the Board of Admiralty in sufficient time to admit either of such orders being given as will effect a corresponding reduction of expenditure under other Votes, or of coming to Parliament for a supplemental grant before the close of the financial year.

492. Then I understand you to state that the rules which have now been agreed to by the

NAVY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

First Lord of the Admiralty will render it impossible that such a condition of affairs can again arise as that detailed in this letter, in which it is shown that a net excess of expenditure, which was anticipated on 31st January of 20,000 *l.*, grew in two months to 150,000 *l.*?—Certainly; except by the deliberate action of the spending branches of the Admiralty, and in the face of full knowledge as to the state of the grants.

Chairman.

493. (To Mr. *Ryan.*) Does any observation occur to you which you wish to make to the Committee upon this point?—No: the only thing that I would say on behalf of the Audit Office is, that of course if there is to be a sum taken for contingencies, it is far better that that sum should be taken in the Estimates and receive the sanction of Parliament, than that the department should spend the money without the sanction of Parliament, and come subsequently for an excess Vote. As to the causes of the excesses, and as to the time when they might have been ascertained, we, as auditors, have no knowledge and no opinion to express, but we are strongly of opinion that Parliament should sanction the money beforehand, and that the department should not first incur the expense, and come subsequently for sanction.

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Walker*, Mr. *Edwards*, and Mr. *Mills*.

10 March 1876.

GREENWICH HOSPITAL AND SCHOOL APPROPRIATION ACCOUNT.

Chairman.

494. (To Mr. *Walker.*) There is a deficit upon this Vote, and I think there was one last year also?—Yes.

495. Who is responsible for the preparation of this Estimate?—In a certain sense I am responsible for it, but it is more particularly taken under the control of the Civil Lord, who is now Sir Massey Lopes, who has the particular charge of the Greenwich Estates and the Income and Capital Account. The Consolidated Fund has already been repaid out of the income of Greenwich Hospital the whole expenditure, including the deficit of 3,718 *l.*

496. Has your responsibility, as regards this Estimate, been affected by the changes which took place in the internal arrangements of the Admiralty in 1869?—No; with regard to this particular Estimate my relationship to it has remained unaltered.

497. Under Sub-head XXX., Provisions, Clothing, Bedding, and Stores, there is a deficit which is attributed to "increased expenditure for stores and clothing required for the gradual extension of the school from 800 to 1,000 boys, under Her Majesty's Order in Council of the 4th February 1875;" that is quite a recent extension?—Yes, that is so; they have increased the number of boys from 800 to 1,000, and that accounts in the same way for the excess expenditure of 732 *l.* 12 *s.* 10 *d.* upon repairs and maintenance of buildings; it was owing to an enlargement of the buildings to meet this increase of numbers; the gymnasium has likewise been added to so as to make it more useful for the boys. And with regard to the bathing pond, it was subsequently determined, with a view to making it more protected, and enabling the bathing to go on to a

Chairman—continued.

later period of the year, that an increased expenditure should be incurred.

498. Was all that dependent upon the determination to make the school extend to a greater number of boys?—No, not as regards the gymnasium and the bathing pond; it was only to make it more useful and to enable the bathing to go on to a later period of the year; until the alteration was made the bathing pond was exposed to the wind and the inclement weather; it was open to the park.

499. With regard to Sub-head W., it is stated that the excess was caused by the adoption of some baking ovens and some additional washing machinery and heating apparatus, and so on, which were unprovided for; how came those not to be foreseen?—I think, as far as I can understand the matter, the necessity for extending the baking ovens, and so on, in order to make the establishment more complete, rather grew upon them as they advanced.

Mr. *Thomson Hankey.*

500. Was it not known in time to be provided for?—No; the fact of the necessity for doing it became apparent afterwards.

501. Did it not become apparent in time to take a Supplementary Estimate; I thought you spoke just now about something which happened in February?—Yes, but the Greenwich Hospital property repays the Consolidated Fund the whole of this amount, therefore under no circumstances do the grants of the country sustain any deficit that there may be in the long run; it is repaid to them sooner or later, consequently the same necessity is not felt for going to Parliament, which only temporarily provides the means.

Wednesday, 15th March 1876.

MEMBERS PRESENT:

Sir Walter Barttelot.
Lord Frederick Cavendish.
Mr. Cubitt.
Mr. Dodson.
Lord Eslington.
Mr. Goldney.
Sir Charles Mills.
Mr. Seely.
Mr. W. H. Smith.

THE RIGHT HONOURABLE JOHN GEORGE DODSON, IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1874-75.

Mr. REGINALD EARLE WELBY, C.B.; Mr. CHARLES LISTER RYAN, and Mr. ALGERNON BERTRAM MITFORD, called in; and further Examined.

Chairman.

Mr. *Welby*, C.B., Mr. *Ryan*, and Mr. *Mitford*.

15 March 1876.

502. (To Mr. *Mitford.*) I BELIEVE you have a statement which you wish to hand in?—Yes. I have prepared a statement in answer to a question which was put to me the other day, and which I hesitated to answer offhand (*handing in the same*).

On CLASS III. Vote 23.

503. (To Mr. *Welby.*) A question was put to you last time as to Treasury authority not having been given for a sum of 11 *l.* 14 *s.*, and you were to make inquiry and give us some further information about it; what is the result of your inquiry?—This payment was ordered by the late Clerk of the Department of Records and Writs in Ireland, who, since that time, has died. This particular payment was practically made before the Report of the Comptroller and Auditor General came before the Committee last year. The Treasury have taken the question into consideration, and they have decided, considering the circumstances which have happened since, to pass these payments upon the understanding that, if any further payments of the same kind take place, they will be disallowed against the accounting officer.

Class III. Vote 23—*continued.*

Chairman—continued.

504. Then the Treasury admit the payment as a charge against the Vote?—Yes

REVENUE ACCOUNTS.

Vote 1.—CUSTOMS.

Chairman.

505. What explanation have you to give respecting the objection which is raised by the Comptroller and Auditor General to the increased pay to certain writers?—The Treasury admit that the Comptroller and Auditor General is practically right with regard to this case; but they thought at the time that it would be necessary to modify the existing Order in Council for this special case, which they did not think desirable, and they decided, therefore, to let the matter stand over until the revised Orders in Council should have been passed

506. Have those revised Orders in Council appeared?—Yes, those Orders in Council have given effect in part to the recommendations of what is called Mr. Playfair's commission.

507. When were they issued?—They were issued about three weeks ago.

508. Then these increased payments have been made only on the strength of the Treasury Minute of the 10th August 1874?—Yes.

Lord *F. Cavendish.*

509. Would these payments be in accordance with the Order in Council which has now been passed?—Since those Orders were passed, the Treasury have not taken this question into consideration, to see how far those Orders would meet this case; therefore I am not instructed to speak with regard to that.

Vote 1.—Customs—*continued.*

Lord *F. Cavendish*—continued.

Chairman.

510. These payments rest only on the authority of a Treasury Minute?—They rest on the authority of a Treasury Minute, and the Treasury admit the correctness of the Comptroller and Auditor General's statement in regard to them.

511. In the correspondence, at page 327 in letter A., there is a further Treasury Minute of the 10th of October 1874, adverted to?—Yes.

512. (To Mr. *Ryan.*) Is there anything material in that Minute as bearing upon the question which was raised?—I have not got the Minute by me, but I can say pretty confidently that it does not affect the question at issue in the Report.

513. The point which the Audit Office took, was that increased payments were made upon the authority of a Treasury Minute, and not of an Order in Council?—Yes, that when the Order in Council prescribed one thing, the Treasury by their own authority ordered another.

514. And

REVENUE ACCOUNTS.

Vote 1.—Customs—*continued.*

Lord *Eslington.*

514. And that, the Comptroller and Auditor General does not consider sufficient sanction?—The Treasury would not claim, I presume, that they should be exempt from the operation of an Order in Council, nor would they claim to override that Order in Council by their own authority.

515. (To Mr. *Welby.*) With reference to the second paragraph of this report, have any steps been taken by the Treasury to settle the question of the date of recording payments by Sub-accountants?—No; no Minute has been drawn upon the subject, but the Treasury upon this Report of the Comptroller and Auditor General coming before them, have taken the question again into consideration, and I am instructed to say that they propose now to embody their views in a Minute which they will submit to the Comptroller and Auditor General, and they will lay the Minute, and Comptroller and Auditor General's reply before the Committee before it rises.

REVENUE ACCOUNTS.

Vote 1.—Customs—*continued.*

Lord *Eslington*—continued.

Mr. GEORGE LISLE RYDER, called in; and Examined.

Lord *Eslington.*

516. (To Mr. *Ryder.*) WITH reference to Subhead F., the deficit on which is accounted for by the expenses of inquiries and prosecutions instituted by direction of the Board of Trade, under the Merchant Shipping Act; do those expenses remain a charge upon the Customs Vote, or will they, in the present Estimates, have been transferred to the Board of Trade Vote?—In the present Estimates they are transferred to the Board of Trade Vote.

517. Then, although this charge of 15,564*l.* appears this year against the Customs Vote, it will not appear there again?—This is the last time that that charge will appear against the Customs Vote; it was transferred in the Estimates for 1875-76, as well as in the Estimates for 1876-77.

518. Was that in consequence of the appointment of a solicitor to the Board of Trade?—Yes, it was. I think it was partly in anticipation. I do not think the present solicitor had actually been appointed when we first made the transfer, but his appointment had been determined upon.

Lord *F. Cavendish.*

519. (To Mr. *Ryan.*) To what extent is the test audit carried in the case of the Customs, and what staff does it employ?—The test audit of the Customs is full, as far as the payments connected with the drawbacks are concerned. As far as the receipts are concerned, it is a mere taking up of certain items and tracing them through the books, and seeing that all the checks which the Customs Department themselves have instituted have been carried out. That is all that has been done as to the receipt of the revenue,

Lord *F. Cavendish*—continued.

and it is all that could be done without a duplicate establishment doing all the work that the present Customs Establishment does. It takes the time of one or two men of our department at intervals to do it, but it must be understood that it is only taking certain items and tracing them through to see that the proper checks are carried out.

520. It does not employ those men during the whole year?—No, certainly not; it is only done as a check examination of the Customs Account.

Lord *Eslington.*

521. Are those items taken at haphazard, or is there any notice given to the Customs as to what items will be taken?—Clearly not. The Examiner takes a voucher relating to any item that he chooses; he picks it out, and traces it from the commencement, beginning with the first entry in the books, and so on, up to the final record.

522. It is upon the chance of his selecting any particular item that the efficacy of the system depends?—Yes; there are a certain set of checks which I cannot describe to you in detail, but one of the Examiners could do it if you wished to have it, and if, in taking these items, he saw that anything which ought to have been done in the way of checking had not been done, he would go further, either in that case or in any other case.

Chairman.

523. The essence of a Test Audit is, that it is a Surprise Audit?—Clearly.

[Mr. *Ryder* withdrew.

Vote 3.—POST OFFICE.

Mr. STEVENSON A. BLACKWOOD, called in; and Examined.

Chairman.

524. (To Mr. *Welby.*) WITH reference to paragraph 2 of the Report, will you state what arrangements have been made in regard to settling the position of the irregularly-appointed *employés* of the Post Office?—A Bill has been drafted in order to make these appointments regular. That Bill is with the Postmaster General at the present moment, but in consequence of a communication received from him, the Treasury expect to receive it back from him, I believe, to-day.

525. That is with regard to the examination?—

Chairman—continued.

It is a Bill to cover the irregularity of these appointments.

526. Is that Bill to apply to all these irregular appointments?—I have not seen the Bill, and therefore I cannot say.

527. (To Mr. *Blackwood.*) Can you answer that question?—It will apply to all the irregular appointments. The clerical staff have been subjected to an examination carried out by a gentleman from the Treasury, and a gentleman of the Post Office, in order to satisfy the Treasury that the persons who are to be affected by the Bill are

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Chairman—continued.

performing the duties on which officers of their rank ought to be employed; and that in other respects their conduct and character are satisfactory. Besides them there is a large number of irregular appointments, the holders of which are employed in the engineering branches of the Post Office.

528. The Bill applies to those also?—The Bill will apply to those also; but they will not be subjected to the same examination.

529. Will they be subjected to any examination?—I believe not.

530. The Civil Service Commissioners have had nothing to do with this examination?—No.

531. What was the principle of this examination; was it such an examination as persons now entering the service would have to pass before the Civil Service Commissioners?—I can hardly say that it was; it did not require the same educational tests, but it was of such a character as to satisfy the Treasury that the officers concerned were practically fit to discharge the duties to which they were appointed, and on which they were employed; it was a practical examination rather than a theoretical one.

532. Who was the officer of the Treasury who took part in the examination?—Mr. Mowatt.

Lord *Eslington.*

533. Will those persons become entitled in course of time to pension?—They will if Parliament passes the Bill.

534. When the time arrives when a pension will be paid to them, the Comptroller and Auditor General will be very likely to report upon the disallowance of such a sum, because they do not hold a certificate from the Civil Service Commissioners?—An Act of Parliament will override any objection of that kind.

535. It is to meet that objection that the Act is to be brought in?—Yes.

Chairman.

536. The Comptroller and Auditor General raises the question whether any of these officers have now obtained the necessary certificates of qualification. What is your answer to that?—No, they have not. The Bill is to provide a substitute for these certificates of qualification.

537. There will be no certificates in their case, then?—No.

Sir C. *Mills.*

538. Have all those who are performing clerical duties undergone examination?—They have.

Mr. *W. H. Smith.*

539. Does not the Bill provide that the Postmaster General shall give a certificate, which shall be in the place of a Civil Service Commissioner's certificate, so as to make the Postmaster General responsible for each particular appointment?—Yes, there is a provision of that nature. All I meant was that it was not a certificate of the Civil Service Commissioners.

Mr. *Cubitt.*

540. I think you said it was to be a practical, rather than a theoretical, examination?—Yes.

541. Can you explain in what you consider

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Vote 3.—Post Office—*continued.*

Mr. *Cubitt*—continued.

the difference to consist?—The difference, to my own mind, consists in this: that it is not the application of a merely educational test, but it is an examination to ascertain, by means of the reports of the officers under whose supervision they have been working, that the men are practically fit to discharge their duties.

542. That they are, in fact, discharging them?—Yes, that they are now discharging, and satisfactorily discharging, them.

Chairman.

543. (To Mr. *Ryan.*) After speaking favourably of the examination of the London district and provincial postmasters' accounts, which have now been laid before you for the first time, you say, in paragraph 10, "It must, however, be clearly understood that this examination has been strictly confined within the limits prescribed by the first part of the 27th section of the Exchequer and Audit Act." The examination therefore has been limited to what points?—It has been limited to ascertaining that there is a voucher for every payment, and that the sum paid is within the intention and meaning of the Vote, but it has not gone on to ascertain that Treasury sanction has been given for any part of the expenditure.

544. Then it has been an examination as to vouchers and as to Appropriation?—Yes, it is a perfect examination so far as the House of Commons is concerned, but imperfect so far as the Treasury is concerned.

545. (To Mr. *Welby.*) The 11th paragraph of the Comptroller and Auditor General's Report states that a scheme for a test examination was submitted by the Comptroller and Auditor General, on the 22nd of June last, to the Treasury, and is still before them; that means a test examination as to authority, as I understand it?—Yes.

546. What is the position of the matter now?—This scheme simply related to the satisfaction of the Treasury as to the authority under which the people were employed; there was an objection raised by the Post Office to the expense which that scheme caused, and the consequence of that has been that, as it only refers to Treasury authority, the Treasury and the Post Office authorities have decided to confer and see whether they can make any counter proposal to the Comptroller and Auditor General, which would meet the objection at less expense; that is the position in which the question stands now.

Lord *F. Cavendish.*

547. (To Mr. *Ryan.*) Can you say what amount of staff and time such an audit as was suggested in your scheme would occupy?—The estimate we gave the Treasury in our letter was four men, provided that the Post Office furnished us with printed establishment lists, and so on, and thereby diminished the amount of clerical work we should have to do; it might be six or eight, possibly, if the printing was not used.

548. This would involve a certain amount of extra expense to the Post Office?—The printing, of course, would involve a certain amount of extra expense to the Post Office.

549. (To

REVENUE ACCOUNTS.

Vote 3.—Post Office—*continued.*

Lord *Eslington.*

549. (To Mr. *Blackwood.*) It appears that 11,000 sub-postmasters and receivers receive remuneration in rather an extraordinary way; they receive a fixed salary, and they are paid by piecework as it were the remainder of their remuneration; when was that principle adopted?—I am unable to give the date; it has arisen from time to time as different work has been imposed on those officers; when, for instance, the money order business began to be transacted by the Post Office, a fixed rate of commission was given to them; when they took up the Savings Bank work another commission was given to them.

550. Does it not appear to be in the nature of a bribe to do the business which they are appointed to do?—They were not appointed to do it; they were only appointed at their original salary to act as receivers or distributors of letters, as the case may be; since that arrangement was made with them they have been saddled with additional work, and it is presumed that it is therefore only fair that a grocer, or any other man having a shop who is called upon to discharge additional business, should derive some profit from it.

551. Then that mode of payment which I described as singular is not fixed for the purpose of increasing the amount of business by giving them a greater interest in the transaction of the business; that is not the object of it?—It certainly tends to increase the amount of business that they do for the department, because they have an interest in it. If a sub-postmaster is obliging to the public, and gives them all the information he can, he transacts more Savings Bank business, or more insurance and annuity business than one who declines to give any information at all, or at any rate as little as he can manage.

552. Is not that a question rather of demand and supply; the public want certain things, and they go for them when they want them; a man is bound in the discharge of his duty to do what they ask him?—I think the noble Lord is under a misapprehension there; the postmaster is not bound in discharge of his duty to do this work except in return for the remuneration which he receives. There are two sorts of postmasters; there are those who are wholly the servants of the department, and being remunerated by a salary which includes everything, like other civil servants, they are bound to do everything the department prescribes for that salary. On the other hand, there are private persons, shopkeepers and others, who only undertake this additional duty in consideration of receiving additional remuneration, and the second class is that to which this question relates.

Sir *W. Barttelot.*

553. That is the case in nearly every country postal district, is it not?—Almost every country postal district.

Mr. *Seely.*

554. When the telegraph work was added to the duties of the postmasters an additional remuneration was given to them, and I think very justly?—Yes, that was so; but then it was a work of an extraordinary kind, making extraordinary demands upon their time and energies,

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Vote 3.—Post Office—*continued.*

Mr. *Seely*—continued.

and giving them increased responsibility; no one, I think, has contended that the additional allowances were at all exorbitant.

Chairman.

555. When the Comptroller and Auditor General observes upon the complicated system of paying these officers, I wish to ask you whether, having regard to the nature of the service, the present system could be simplified?—As far as possible advantage will be taken of every opportunity to simplify it, but the opinion of the Post Office is that it is attended with so many advantages to the department and to the public, being a payment, as the Comptroller and Auditor General observes, by results, that to a very great extent it is a system which can hardly be discontinued.

Mr. *Cubitt.*

556. I suppose that hardly applies to No. 8, the "allowances for Telegraph work," does it?—Yes, it does, because it is desirable to ascertain the cost of the Telegraph as separate from the Post Office, and unless a distinct allowance is made for that work, such separation would be impossible; moreover, if a Post Office ceases to be a Telegraph Office, which is occasionally the case, it is desirable that there should exist some means of diminishing the remuneration of the person who has hitherto discharged the two duties.

557. The allowance in that case is a fixed sum, and not a sum varying according to the number of messages sent out?—No, it is a fixed sum calculated at a certain rate.

Chairman.

558. (To Mr. *Welby.*) I should like to hear the view of the Treasury upon this point?—The attention of the Treasury has been drawn to this paragraph in the Comptroller and Auditor General's Report, and they consider that it raises a very important question, and I am instructed to say that it is their intention to discuss the question with the Postmaster General whether the present system shall be continued, or whether a simpler form of remuneration can be adopted.

Mr. *W. H. Smith.*

559-60. (To Mr. *Blackwood.*) Although the system of payment by the piece is accompanied with considerable advantage in many respects, is it not open to this danger, that you may add to a man's salary, by allowances in respect of every one of those eight items, and you may also give him the staff necessary to do the work for which you pay otherwise, because you frequently give him a larger amount of work to discharge than he can possibly discharge himself?—There is no such danger. These allowances are only given to sub-postmasters, that is, to persons who have no establishment paid by the Post Office, and who, if they employ additional persons, remunerate them out of such allowances.

Sir *W. Barttelot.*

561. Therefore, supposing there is anyone kept to do the work in the Post Office as well as the sub-postmaster, that person receives an extra

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Sir *W. Barttelot*—continued.

payment when the allowance given is supposed to cover the person so kept as well as the remuneration of the postmaster himself, or the postmistress?—The commission or poundage is considered sufficient to enable the postmaster to provide himself with the necessary assistance. At the same time there are in some very rare cases sub-postmasters who have to employ additional assistants for postal duties, and for that the department gives them an allowance.

562. For postal duties only?—For postal duties only.

Chairman.

563. Passing on to paragraph 15, can you explain the double charge?—This double charge was made in accordance with what the department understood to be the view of the Comptroller and Auditor General, but if he thinks another course desirable the department is perfectly ready to adopt it; it is a mere matter of account.

564. I do not understand the paragraph, but it appears that the poundage for postage stamps used for telegrams was charged both as included in the commission for the sale of postage stamps and separately?—The whole thing has disappeared now in consequence of the proper Subhead having been created in the Telegraph Vote, and also because there is a distinctive stamp for telegrams which has now been created and brought into use.

565. Then the double charge to which the observations in this paragraph apply will not occur again?—No.

On Vote 5.

POST OFFICE TELEGRAPH SERVICE.

566. With regard to paragraph 2 of the Report, are the conditions upon which line men are appointed in the Telegraph Service still unsettled up to the present time?—They are

567. Are they likely to be settled shortly?—The Postmaster General hopes within a very short time to be able to make some proposals to the Treasury which will settle the question; some inquiries have been going on into the engineering branches of the Telegraph Service, which are on the point of completion, and this question forms part of the subject matter of those inquiries.

Sir *W. Barttelot.*

568. Do these line men belong entirely to the Post Office, or do any of them belong to the railway companies?—They belong entirely to the Post Office.

Chairman.

569. (To Mr. *Welby.*) With regard to paragraph 4, has any action yet been taken by the Treasury with reference to the unestablished staff?—The staff to which reference is made in this case is at present under inquiry by a committee, and no settlement can be come to until the report of that committee is received.

570. They are not covered by the Bill of which we have heard?—I understand not.

571. The Bill is now before the House, is it not?—No; it is at present in the hands of the

REVENUE ACCOUNTS.

Vote 5.—Post Office Telegraph Service—*continued.*

Chairman—continued.

Postmaster General, who is about to send it to the Treasury.

572. Has Treasury sanction been given to the payments which have been disallowed by the Treasury, and which are specified in paragraph 6?—No, the Treasury has not yet sanctioned those payments; a letter has been received from the Postmaster General in reply to the letter to which the Comptroller and Auditor General calls attention, and that is still under the consideration of the Treasury.

573. Is that an answer to Mr. Law's letter of the 10th of September?—It is, and it contains the Postmaster General's view upon it, but it came too late to the Treasury to be furnished to the Audit Office, in order that it might be added to the correspondence printed here. That letter is still under the consideration of the Treasury, and no decision has been come to upon it.

574. (To Mr. *Blackwood.*) Paragraph 10 refers to a further payment which had not received Treasury sanction at the date of the Report; has that sanction been given now?—No; the Post Office have not asked for it; they stated that it was not understood that authority was required for such expenditure, and they propose to ask authority in future.

575. (To Mr. *Ryan.*) Meanwhile has the Comptroller and Auditor General excluded this sum of 136 *l.* 18 *s.* 6 *d.* from the account?—No.

Sir *W. Barttelot.*

576. (To Mr. *Welby.*) Is there any sum which the Post Office is allowed to expend without Treasury authority?—No; except that with regard to works of extension, they may spend up to 100 *l.* upon urgent works, sending in subsequently a statement, quarterly or half yearly, that those works may receive the sanction of the Treasury.

577. And the vouchers for that expenditure, together with the Treasury authority for it, obtained subsequently, must be furnished to the Comptroller and Auditor General?—I presume the Comptroller and Auditor General would not pass those payments without seeing that the Treasury direction had been carried out, and that the schedule of works had been submitted to the Treasury, and had received the sanction of the Treasury subsequently.

Mr. *Seely.*

578. (To Mr. *Ryan.*) With regard to paragraph 8, you say that the Audit Office could not, "under the existing system, have detected the fact that the works in question," in 24 cases, "involved an expenditure of upwards of 100 *l.* each." Why is that?—They could not, because our department is not able to tell how the work is done. The Divisional Engineers and Superintendents render accounts, and show how much has been expended under the several Heads of Salaries, Wages, Travelling, Materials, for instance, and they divide this expenditure under the Heads of Construction, Maintenance, and Special Works. The amount to be charged against each of these Sub-heads can be determined only by the engineer under whose superintendence the works, of whatever kind they may be,

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Vote 5.—Post Office Telegraph Service—*continued.*

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Mr. *Seely*—continued.

be, have been carried out. He alone can know how much of his own time and how much of the time of the officers under him has been employed in Works of Construction or Works of Maintenance executed under his charge, and, consequently, he alone can be the judge of how much of his own salary, and of the salaries of those engaged under him, should be apportioned to the several Sub-heads. We, of course, can only take his dictum upon that point.

579. Can you suggest any alteration of the existing system which would enable the Audit Office to see that the Treasury Regulations are complied with in these cases?—The only suggestion which the Audit Office could make, and which they did make upon a former occasion, was that works should be executed by specific contract, and then, of course, they could see whether the contract was exceeded or not, and what it was for. At the same time I am bound to say that, inasmuch as the Post Office have been obliged to take over a great many of the engineers and other officers of the Telegraph Companies, if they were also to put works out to contract the result might be to incur expenditure which would not be desirable.

Lord *Eslington.*

580. (To Mr. *Blackwood.*) When the Telegraph Act was passed, was there any provision in the Act binding the Post Office to take over a certain amount of the old staff which had been previously employed by the companies?—Yes, either to take them over, or to pension them.

581. Then that is the meaning of the word which occurs very often, namely, "compensation." I presume it means compensation to officers who had been deprived of their duties, and discharged?—Yes.

Lord *F. Cavendish.*

582. Do you think that any system could be devised for supplying the Audit Office with this information which they desire?—I do not think that could be done. I do not think the Audit Office can possibly go below the certificate of the person superintending the work; he certifies that to the best of his knowledge a certain proportion of the expenditure is chargeable to one Head of Service, and another proportion is chargeable to another Head of Service. You cannot go below that.

583. Does he give that in the case of all works of extension?—Yes, in all works of extension and maintenance of every kind.

Mr. *Seely.*

584. (To Mr. *Ryan.*) With regard to paragraph 11, you say that, under the existing system, you cannot separate the works of maintenance from the works of extension?—Yes; we cannot verify the classification. We do not mean to say that the apportionment made is not correct, but only that we are unable to certify its correctness.

585. Can you point out any way in which you could ascertain whether the classification was correct or not?—That is the point we have just been speaking of.

586. That related to extension; this relates to maintenance as well?—The same men do both kinds of work, and we cannot say how much of their time is occupied in the one, and how much in the other. (Mr. *Blackwood.*) Perhaps I may be allowed to add what Mr. Chetwynd reminds me of, namely, that the classification of the divisional engineers is most closely scrutinised and checked by the department of the Engineer in Chief at headquarters, where a thoroughly impartial examination is given to the accounts.

Chairman.

587. Upon paragraphs 12 and 13 is it intended by the Post Office, in preparing the future Profit and Loss Accounts of the Telegraph Service, to charge any portion of the expenditure upon sites and buildings, and so forth, retrospectively, for the years 1870-71, 1871-72, and 1872-73, against the Telegraph Service?—It will be right to do so, I think, in the form of notes, to the future Profit and Loss Accounts, and it is intended, in the next Account, to give a cumulative statement of the Telegraph Expenditure of voted services. As soon as the Office of Works is able to furnish us with the necessary particulars they will be given in the form of notes.

Lord *F. Cavendish.*

588. Would it not be simpler to revise the Profit and Loss Account instead of adding notes to it, to make corrections in it?—In future Profit and Loss Accounts the actual expenditure will be shown, but as the Profit and Loss Account is a cash account confined to each separate year, we cannot include in the Accounts for future years the retrospective expenditure, which can only be shown in the way of a note exhibiting past transactions.

Lord *Eslington.*

589. These retrospective adjustments, as I understand it, will appear as charges against the Capital Account?—No, they will not. The Capital Account and the Profit and Loss Account are two entirely distinct Accounts. The Profit and Loss Account include the capital raised, and the interest, but it includes also all the working expenditure, which the Capital Account does not.

590. If it is not charged to the Capital Account, will not this re-adjustment make a very serious derangement in the past Accounts?—No, it will not affect any sums which have been chargeable to capital.

Chairman.

591. (To Mr. *Mitford.*) In paragraph 14 the Comptroller and Auditor General observes, that it does not appear from the Estimates of the Office of Works that there is any intention of charging the Telegraphic Service with a portion of the cost of erecting new Post Offices, although they are charged for other expenses connected with such buildings; is that the case?—We shall always do so for the future.

592. They will be charged with a portion of the cost of erection?—Certainly. (Mr. *Ryan.*) This paragraph was written before the Estimates for the year 1876-77 came out. The provision is made in those Estimates.

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Mitford*, and Mr. *Blackwood*.

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Vote 5.—Post Office Telegraph Service—*continued.*

Mr. *Goldney.*

593. (To Mr. *Mitford.*) The Comptroller and Auditor General says, in paragraphs 14 and 15, that the sites are charged, but that nothing is charged for buildings to the Telegraphs; how does that occur?—We are doing so now.

594. Both as regards buildings and sites?—With respect to sites, the question is one purely for the Post Office; but with respect to buildings we are at this moment doing it, and we shall continue to do it.

Chairman.

595. (To Mr. *Ryan.*) Upon paragraph 17, has anything further been done respecting this payment to Mr. Sampson?—No.

596. Has the Comptroller and Auditor General excluded it from the Account?—Yes.

597. (To Mr. *Blackwood.*) Has the Postmaster General refused to sanction it?—No, on the contrary he has directed the payment to be made on his own responsibility.

Mr. *Goldney.*

598. When was that?—Whenever the payment took place.

599. The statement of the Comptroller and Auditor General here is that the Postmaster General had given no sanction up to 1874, therefore I ask when the Postmaster General came to that decision?—As soon as he received the Treasury letter of the 18th January 1875.

600. Immediately upon that?—Yes, that is he then decided to accept the full responsibility of the payment which he had been urging upon the Treasury as a proper one throughout the previous correspondence.

601. Has he sent the correspondence with regard to it to the Comptroller and Auditor General?—Yes.

Chairman.

602. (To Mr. *Ryan.*) The Comptroller and Auditor General has excluded it from the account?—Yes, the Comptroller and Auditor General had no option under the 27th section of the Exchequer and Audit Act. If the Treasury refuse its sanction to a payment, the Act declares that that is not a proper charge against the Vote; the Treasury having declined to sanction this payment, the action of the Comptroller and Auditor General was automatic in the matter.

603. (To Mr. *Welby.*) What is the gist of the Treasury's objection in this case?—The gist of

REVENUE ACCOUNTS.

Vote 5.—Post Office Telegraph Service—*continued.*

Chairman—continued.

their objection is that the superintendent had no power to appoint this man; that he ought not to have been appointed in that form under the Order in Council of 1870; that the transaction was so irregular that it was one which ought to be reported to the Public Accounts Committee, and that in the meantime the sanction of the Treasury should not be given to the item; in that way they secured its coming before the Public Accounts Committee, and they hope to secure an expression of opinion by them as to the nature of the transaction.

604. The nature of the transaction is fully explained in the correspondence which is appended to the Report of the Comptroller and Auditor General?—Yes.

Lord *Eslington.*

605. Does the Treasury hold that the sanction given by the Postmaster General to this irregular appointment was equally irregular?—The Treasury would hold that the Postmaster General had not authority to give that sanction any more than the Treasury themselves; if the Treasury had not the authority to give that sanction much less had the Postmaster General.

Chairman.

606. (To Mr. *Blackwood.*) In paragraph 21 the Comptroller and Auditor General says, "I am unable to state what further deduction from the Accountant's expenditure, and corresponding addition to the surplus to be surrendered, or to be made in respect of the further unauthorised expenditure, estimated at 490 *l.* 17 *s.* 3 *d.*, referred to in paragraph No. 7" (it should be No. 6), "as I have no means of ascertaining how much of this expenditure has been actually charged against this Vote;" has the whole of this expenditure been charged against the Vote?—I believe so.

Lord *F. Cavendish.*

607. Can you say when any further Capital Account is likely to be prepared of the Telegraph expenditure?—One is prepared now, and has been sent to the Comptroller and Auditor General; I believe his Report is almost ready for presentation to Parliament.

608. Up to what date does that Account extend?—Up to the 31st March 1875.

[Mr. *Blackwood* withdrew.

ARMY APPROPRIATION ACCOUNT.

Chairman.

609. (To Mr. *Welby.*) With regard to the question of military audit, you told us at our last meeting, when we were engaged upon the Navy Appropriation Account, that when we came to the Army Account you would be able to lay before us letters respecting the question of Audit: can you do so now?—I did not expect that the Army Account would be taken this week; I expected it to be taken rather later than this; we are endeavouring to get our proposal into the

Chairman—continued.

hands of the Comptroller and Auditor General as quickly as possible, and I have communicated with Mr. Ryan, who will give attention to it as soon as he can upon its reaching his hands, and if the Committee will allow a certain period for him to consider it, it will then be laid before them.

610. If the further consideration of this Account is postponed for a week, shall you then be prepared to lay these papers before us?—I think we can guarantee that the papers shall be in the hands

ARMY APPROPRIATION ACCOUNT—*continued.*

Mr. *Welby*, C.B., Mr. *Ryan*, and Mr. *Mitford*.

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Chairman—continued.

hands of the Comptroller and Auditor General in a week, and there will then be the time required for the Comptroller and Auditor General to consider them.

611. (To Mr. *Ryan*.) What would the Comptroller and Auditor General say to that?—Of course, it is impossible for the Comptroller and Auditor General to tell what the nature of the proposal is until he has it, or how long it might take him to consider it; but I do not know that this Committee would wish to go very deeply into the details of the proposal. In the view of the Comptroller and Auditor General the question is rather one of cost. If the Treasury say that there should be a test audit, the question is what amount the Treasury are prepared to expend upon it; the details must be left to the Comptroller and Auditor General.

ARMY PURCHASE COMMISSION APPROPRIATION ACCOUNT.

General the Right Honourable Sir EDWARD LUGARD, G.C.B., and Mr. JAMES CORNELIUS O'DOWD, called in; and Examined.

Gen. Rt. Hon. Sir *E. Lugard*, G.C.B., and Mr. *O'Dowd*.

Chairman.

612. THE first paragraph of the Comptroller and Auditor General's Report observes upon a compensation to officers in excess of the number authorised to claim retirement by the Act of the 34th and 35th Victoria, chapter 86. The Committee on Public Accounts last year recommended that a distinction should be drawn in the Estimates between the sums required for compensation for officers entitled to retire under the terms of the Act, and that required for officers permitted to retire over and above the number entitled to claim retirement, has that distinction since been drawn?—It was not drawn in the Estimate now before the Committee, because we did not receive the Report until after the period at which the Estimate had been prepared, and had gone in.

613. Has it been drawn in the subsequent Estimate?—I am not quite certain whether it has or has not; I have not the Estimate which has gone in this year, now before me.

614. I am speaking of the Estimate for 1875-76?—It was not drawn in that Estimate, because we had not got the Report until after that Estimate had been prepared, and had gone in.

Mr. *Goldney.*

615. (To Mr. *O'Dowd*.) What have you done in the Estimate for 1876-77?—In the Estimate for the year 1876-77 the distinction is not formally drawn, for this reason, that we are at the present moment spending annually a sum very much less than the allowance provided for by the Act; in fact, I believe by the end of the present financial year we shall only have to account for about 22 officers instead of 42; but in the Estimate for this year we did think it right to take a nominal sum (1,000 *l.*, I think) for something extra to the Act, because sometimes it might happen that although the gross number of officers fell very much below the number allowed by the Act, yet in some particular rank one officer more than the authorised number might come to us wishing to retire; taking that into consideration we proposed a nominal sum in the Estimates, so that in the event of that excess arising in any one rank, we might be enabled to make application to the Treasury for their special permission to have a transfer made of some money to meet that exceptional case; we took it upon ourselves to say that the number being in the gross distinctly within the limit prescribed by the Act, it was desirable to provide for the possibility of a few officers in excess in any particular rank coming to us. If they had come, and we had been obliged to say, "We have got no money available for you, even with the Treasury's sanction," we thought that would be a thing which was not contemplated by those who established the system.

Mr. *Goldney*—continued.

616. Then the distinction recommended by the Committee is not drawn in the Estimates which have been laid before Parliament this year?—I cannot say that it has in form; the Estimate this year is quite exceptional; there is not the slightest probability of our expending anything like our gross limit, but in some one particular rank we might find an officer more than the number allowed for wishing to retire, and therefore we have taken a nominal sum to enable us to ask the Treasury, if such a case arises, for permission to make a transfer for the sum required to meet the case.

Lord *Eslington.*

617. But then that is on the supposition that you do not exceed the number of officers fixed in the Act of Parliament?—It is beyond all probability that we shall reach the total limit of the Act of Parliament; 42 officers is the limit, and we shall probably only have 22; the number is decreasing each year.

Sir *W. Barttelot.*

618. What you mean is this, it might so happen that in some particular rank there might be more officers wishing to retire than the number provided for under the Act?—Yes, for instance the Act allows eight lieutenant colonels to retire, and there might be a ninth wishing to do so.

619. The interests of the service being always taken into account?—Yes, we have always looked upon it as a great calamity, that we should be obliged to send any officer away and say, "We are bankrupt for the moment."

620. But that is not the point, you would not be bankrupt because you would not have exceeded the estimate?—To provide for an excess number in particular ranks we are taking a nominal vote in the Estimates, just to give us a *locus standi*. The truth is, that the limit upon the number of half-pay men is entirely illusory, because if the authorities wished to let a larger number of half-pay officers go in one year they

Mr. *Welby*, C.B., Mr. *Ryan*, Mr. *Mitford*, Gen. Rt. Hon. Sir *E. Lugard*, G.C.B., and Mr. *O'Dowd*.

15 March 1876.

ARMY PURCHASE COMMISSION APPROPRIATION ACCOUNT—*continued.*

Sir *W. Barttelot*—continued.

have only to do a very simple thing, and that is to place them on full pay one day and let them sell out on the next.

Chairman.

621. (To Sir *Edward Lugard.*) Paragraph 2 states that provision was made in the Estimates for payment to an officer of the sum of 100*l.* for good service in the Crimea; why is that included in this Estimate for the Army Purchase Commission?—It was done under the authority of the War Office, and with Treasury sanction, in conformity with a clause in the Royal Warrant of 1870 (the 90th Clause), which empowered the Secretary of State, when an officer sold out who had performed distinguished services, and had not received the full amount of the value of his commission, to give him 100*l.* in case it did not exceed the full amount of the price of the commission.

622. Therefore it has a connection with the commission held by the officer?—Quite so; that is under a Regulation.

623. It is not simply a gratuity for good service?—No; so far it is a gratuity for good service, that if he had not performed good service he would not very likely have been awarded this sum, but it is in the total sum given him for his commission where he is not by length of service entitled to the full amount of the value of the commission he sells.

ARMY PURCHASE COMMISSION APPROPRIATION ACCOUNT—*continued.*

Chairman—continued.

624. The Treasury, you say, sanctioned the payment?—Yes.

625. Did they sanction its being charged to this Vote?—Yes; we were instructed to charge it to the estimate.

626. To this Army Purchase Commission Estimate?—Quite so.

Mr. *Goldney.*

627. The Treasury letter says that?—Yes.

Sir *W. Barttelot.*

628. I think you have had a surplus every year, have you not?—No; we had a Supplementary Estimate one year.

629. With that exception you have a surplus each year?—Yes, with that exception.

WOODS AND FORESTS APPROPRIATION ACCOUNT.

Chairman.

630. (To Mr. *Welby.*) At the last meeting of the Committee, information was asked for with reference to the law agent to the Woods and Forests Department in Scotland; what is the position of the question with reference to that officer at present?—A committee appointed by the Treasury is considering the relations of the legal officers acting for the Crown in Edinburgh, with a view to placing them on a more satisfactory basis than they are on at the present time.

Chairman—continued.

Wednesday, 22nd March 1876.

MEMBERS PRESENT:

Sir Walter Barttelot.
Lord Frederick Cavendish.
Mr. Cubitt.
Lord Eslington.
Mr. Goldney.
Sir Charles Mills.
Mr. O'Reilly.
Mr. Seely.
Mr. William Henry Smith.

THE RIGHT HONOURABLE JOHN GEORGE DODSON, IN THE CHAIR.

ARMY PURCHASE COMMISSION APPROPRIATION ACCOUNT.

General the Right Honourable Sir EDWARD LUGARD, G.C.B., called in; and further Examined.

Sir *E. Lugard*, C.B. 22 March 1876.

Chairman.

631. I ASKED you last time, in reference to a recommendation of the Committee on Public Accounts last year, that there should be a distinction in the Estimate of the Army Purchase Commission between the sum to be provided for officers entitled to claim to retire under the Act of 1871 and the sum to be provided for officers who might be allowed to retire in excess of the number entitled to claim retirement, whether such a distinction had been made in the Estimates for this year?—I am sorry to say that through my stupidity I entirely mistook the question you put to me last time. I thought you asked me whether a distinction had been made according to the recommendation of last year's Committee, between the half-pay officers entitled under the Act to receive compensation, and the full-pay officers. At the moment, I did not remember that there was that recommendation; and in searching my papers, to my confusion I found that the copy of your Report, which I imagined was snugly placed in my portfolio, had been taken out. That led to my confusion, and I answered your question in the negative. On going back to my office I found your Report; and on looking it over I discovered the actual question that you had put to me, and I wrote you a note in consequence. The truth is, that we did follow the two recommendations of the Committee. A separation was made between the half-pay officers entitled to compensation under the Act, and the half-pay officers who were permitted to retire; and we also made a distinction, which was also recommended by the Committee, by taking a separate sum for the staff officers of pensioners on promotion. This (*producing a paper*) is a rough copy of our Estimates of this year, and we followed the same course last year. You will find that the half-pay officers entitled to retire are placed under Sub-head 1; the half-pay officers permitted to retire are under Sub-head 4, and the step of promotion for staff officers comes under Sub-head 5. Therefore we followed exactly the course which the Committee desired.

Chairman—continued.

[The Witness withdrew.

CONSOLIDATED FUND APPROPRIATION ACCOUNT.

Mr. REGINALD EARLE WELBY, C.B., called in; and further Examined.

Mr. *Welby*, C.B.

Chairman.

632. HAS the Treasury come to an arrangement with the Comptroller and Auditor General upon the several points which are embodied in Mr. Smith's letter?—Yes; a Bill is at present in draft, and I believe it will be introduced almost immediately.

633. Dealing with all these points?—Dealing with all the points which are mentioned at the close of the letter. There are one or two loans which are left outstanding, with which the Bill of course will not deal.

Mr. *Seely.*

634. Could an account be presented to us showing the amount of interest which would have been payable at 3 per cent. on the several sums advanced, and specifying the amount which is said to be recoverable, that which is irrecoverable, and that which you might class under the head of doubtful?—I believe there will be no objection to furnishing the Committee, or the House of Commons, with a computation of the interest which should have been paid at the rate of 3 per cent.

Mr. *Welby*, C.B.

22 March 1876.

CONSOLIDATED FUND, &c.—*continued.*

Lord *Frederick Cavendish.*

635. I should have thought the interest ought to have been higher than 3 per cent. ?—Three-and-a-half per cent. is the rate at which we have practically raised the money.

Mr. *Seely.*

636. I see it is stated here that the interest will be calculated upon any sums already advanced at 3 per cent., and on any sums in future

CONSOLIDATED FUND, &c.—*continued.*

Mr. *Seely*—continued.

to be lent at 3½ per cent. ?—That is the estimate of the loss that the country has sustained, putting it at the very lowest amount. I may state, for the information of the Committee, that in the Bill which will be laid upon the Table of the House, there will also be a statement of sums advanced which have already been remitted. I think that will be useful.

POST OFFICE APPROPRIATION ACCOUNT.

Mr. *W. H. Smith.*

637. The Comptroller and Auditor General reported that the Treasury had not approved of certain charges in respect of irregular appointments, amounting to 1,285 *l.* 6 *s.* 4 *d.*; have you anything to state to the Committee upon that point?—That point will really be settled by the Bill, which, as I stated last week, is about to be introduced. Until that Bill has been introduced and passed by Parliament, no settlement can really be made with regard to these irregular appointments.

638. There is a further point with respect to the Telegraph Department arising upon the Works Vote; there were certain disallowances; have you anything to state to the Committee with regard to these disallowances, the amount of which was, I think, 4,320 *l.* 17 *s.* 2 *d.*?—The Committee will recollect that the Comptroller and Auditor General published in the Appendix of his Report a Treasury Letter of September last disallowing that sum on the ground of the works to which it alluded being works in excess of 100 *l.*, and therefore requiring previous Treasury sanction, which had not been obtained. The Committee will also recollect that last week Mr. Blackwood handed in a reply from the Post Office to that Treasury letter offering certain explanations, and pointing out that there had been some correspondence with reference to the limit within which the Post Office might incur expenditure without obtaining Treasury sanction, and admitting that there had been considerable delay at the Post Office in giving effect to those regulations. The Postmaster General added that he admitted that in fact the regulations laid down by the Treasury had not been observed, but he said that at present, and for some time past, they were and had been strictly observed; that was the explanation he offered. Upon that

Mr. *W. H. Smith*—continued.

the Treasury have directed a letter to be written to the Post Office which perhaps the Committee will allow me to read: "My Lord,—I am directed by the Lords Commissioners to state to you that they have had under consideration your letter of the 24th of January, offering an explanation of the reasons which caused the departure from the regulations laid down by them respecting new works in September 1873, and March 1874. I am to state that, although my Lords do not understand why there should have been such delay on the part of the Post Office in giving effect to their directions (a delay which certainly justified the impression that their orders were not being obeyed), they will readily accept your assurance that the regulations will be strictly adhered to in the future, and they therefore sanction the expenditure incurred in Schedules C. and D." A copy of that letter will be sent to the Comptroller and Auditor General.

639. Schedules C. and D. amount to 4,320 *l.* 17 *s.* 2 *d.*?—There are two sums in question, the first amounts to 4,320 *l.* 17 *s.* 2½ *d.*, and the other is a sum of 490 *l.* 17 *s.* 3 *d.*

640. Those are both sanctioned?—Yes.

641. There is a further question which remained undetermined, that was with regard to Mr. Sampson; are you able to state to the Committee whether any further step has been taken with regard to the payment to Mr. Sampson?—No; nothing else has been done with regard to it. The question was left for consideration by the Committee, the Treasury view being, as I think I have already stated with regard to this and certain other items, that it would be desirable that the Committee should express an opinion upon this point before the Treasury took any final action.

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APPENDIX.

Appendix, No. 1.

CORRESPONDENCE handed in by Mr. *Norman MacLeod.*

Mr. *H. Cole,* C.B., to the Secretary of the Treasury. Appendix, No. 1.

Science and Art Department, South Kensington Museum,
Sir, 6 January 1873.

I AM directed by the Lords of the Committee of Council on Education to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that they consider that the officer who has been Instructor in Decorative Art of the national scholars for some years should be placed on the staff of the Art Training School, and be paid a fee of 350 *l.* annually, chargeable against the sum of 525 *l.* in B. 3 of the Estimates, or against the fees received in the Art Training School, if they are found to be sufficient.

This payment is only for a portion of the officer's time, and he is to be free, as at present, to accept any other employment which does not interfere with the duties he is engaged to perform.

My Lords are of opinion that the situation should be placed in Schedule B. of the Order in Council of the 4th June 1870.

I am, &c.
The Secretary, Her Majesty's Treasury. (signed) *Henry Cole.*

(No. 416.)

Mr. *W. Law* to Mr. *W. E. Forster,* M.P.

Sir, Treasury Chambers, 18 January 1873.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of Mr. Cole's letter of the 6th instant, stating that the Lords of the Committee of Council on Education consider that the officer who has been Instructor in Decorative Art of the national scholars for some years should be placed on the staff of the Art Training School, and be paid a fee of 350 *l.* annually, chargeable against the sum of 525 *l.* in Sub-head B. 3 ("Salaries of National Art Training School") of the Estimates of the Science and Art Department, or against the fees received in the Art Training School, if they are found to be sufficient.

525 *l.* "Lectures and occasional professional assistance."

It is added that this payment is only for a portion of the officer's time, and he is to be free, as at present, to accept any other employment which does not interfere with the duties he is engaged to perform; and it is also stated that the situation is one proper to be placed in Schedule B. of the Order in Council of the 4th June 1870.

I am, in reply, to request that this Board may be informed how much this officer is paid at present, and whether out of the same funds as it is now proposed to charge with his salary.

Their Lordships further desire to know how many hours per day he is employed, and whether the words "other employment" are meant to include payments for other duties in the Department of Science and Art, or refer only to the exercise of some trade or profession on his own account.

Their Lordships would be glad to receive a more full account of the situation for which a salary (or fee) of 350 *l.* is to be annually paid, and to be informed why it is to be henceforth distinguished from other payments out of the sum of 525 *l.* under Sub-head B. 3 above referred to.

I am, &c.
The Right Hon. W. E. Forster, M.P., (signed) *William Law.*
&c. &c. &c.

Appendix, No. 1.

(No. 1795—73.)

Mr. *H. Cole*, C.B., to the Secretary of the Treasury.

South Kensington Museum, S.W.,
28 January 1873.

Sir,

In reply to Mr. Law's letter (No. 416), of the 18th instant, I am directed by the Lords of the Committee of Council on Education to state, for the information of the Lords Commissioners of Her Majesty's Treasury, the following particulars respecting the Instructor in Decorative Art. He is employed at present 30 hours a week at 6 *s.* an hour, 15 hours in teaching a class of national scholars the principles and practice of decorative art, and 15 hours in preparing designs for decorations to be executed, as far as possible, by the students of the National Art Training School. For the national scholars he has been paid out of the fees received from students in the art schools, and for decorative designs, either out of D. 5 or by the Office of Works.

He declines to continue to work at the rate of 6 *s.* an hour any longer, and his place cannot be filled at that rate, if at all. Half a guinea an hour would be a very moderate charge for an artist far less skilled than the present instructor, but he is willing to accept a fixed salary of 350 *l.* per annum for 15 hours a week, and unwilling to go on for less, he being free, as at present, to accept other employment, either from the department, or from the Office of Works, or elsewhere.

Considering the almost insurmountable difficulty of obtaining an instructor in decorative art like the present, even at a much higher rate than now proposed, my Lords recommend the arrangement as necessary for the proper development of the Art Training School.

I am, &c.

The Secretary, Her Majesty's Treasury. (signed) *Henry Cole.*

(No. 1619—73.)

Mr. *W. Law* to the Vice President of the Council.

Sir,

Treasury Chambers, 13 February 1873.

I am commanded by the Lords Commissioners of Her Majesty's Treasury to request that they may be informed, with reference to Mr. Cole's letter of the 28th ultimo, what was the total amount issued from public money at the disposal of the Department of Science and Art, in the year ending 31st January 1873, to the Instructor in Decorative Art, distinguishing the sub-heads to which it was charged, and how many of these payments it is estimated that he will continue to receive in addition to the proposed salary of 350 *l.*, if it be granted.

I am further to inquire how the amount of time spent by him in preparing designs is ascertained, and whether 15 hours per week for this duty means anything but 90 *s.*

Their Lordships would be glad to know whether the charge of this part of the instructor's remuneration to the Sub head D. 5 has been specifically sanctioned by the Comptroller and Auditor General.

Their Lordships also wish to know for how many hours he was paid in the year ending 31st January for designs and for teaching respectively.

The classes do not meet all the year round, and this has to be considered in fixing a commutation.

Unless a considerable saving be shown, their Lordships prefer to continue to pay for such services by the piece.

Of course it is understood that the payments, if commuted at a fixed sum, will not thereby begin to carry a title to superannuation, the officer's whole time not being given to the service.

I am, &c.

The Vice President of the Council. (signed) *William Law.*

Mr. *H. Cole*, C.B., to the Secretary of the Treasury.

Sir,

11 March 1873.

In reply to Mr. Law's letter of the 13th February (1619—73), I am directed by the Lords of the Committee of Council on Education to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that the amount of public money earned by and paid to Mr. Moody, who has acted as Instructor in Decorative Art and as one of the decorators of the new buildings at South Kensington, between the 1st February 1872 and 31st January 1873, amounted to 423 *l.* 12 *s.* Of this sum 3 *l.* 18 *s.* was paid for drawings which are chargeable to the head of Service, D. 5, for works, repairs, &c.; 226 *l.* 7 *s.* were paid out of the fees of art schools for instruction to national scholars, and 193 *l.* 7 *s.* for designs for the decoration of new buildings were paid by the Office of Works.

In

In respect to "how many of these payments it is estimated that he will continue to receive in addition to the proposed salary of 350*l.* per annum, if it be granted," I am directed to state that such payments will be regulated by the amount of decorative designs which he may be called upon to produce for new buildings. If the decorative works are stopped he will receive nothing; if they are continued his work may be worth 200*l.* per annum, more or less, according to its extent and value.

In reply to the inquiry how the amount of time spent by him (Mr. Moody) in preparing designs is ascertained, my Lords direct me to say that, according to the departmental rules, like other officers, Mr. Moody keeps a weekly diary, and upon referring to these diaries it can be seen how his time has been spent. My Lords fail to understand the query, "whether 15 hours per week for this duty means anything but 90*s.*" If the Lords Commissioners allude to the amount of decorative works executed by Mr. Moody, then the Lords of the Committee of Council on Education would invite their Lordships to inspect the designs for durable mural decoration executed in fictile vitrifaction; the ceiling decorations in *grisaille*; the modelling in majolica; the painting on glass; the modelling in stucchi; the painting in fresco and *terrata*; the decorations in *sgraffito*; the metal work, all of which have been recently done by Mr. Moody and carried out under his supervision.

The charge to D. 5 of the remuneration for the preparation of designs paid to Mr. Moody has been sanctioned by the Comptroller and Auditor General, who raised a query in regard to the rate of pay, &c., for artistic labour, and Mr. Moody's charge was included in that query.

Mr. Moody was paid upon 754½ hours teaching national scholars, and on 644½ hours making designs for the various decorations enumerated.

By their letter of the 6th January 1873, my Lords applied to the Lords Commissioners for their sanction to the creation of a permanent office of an instructor in decorative design, who should be paid an annual fee of 350*l.*, chargeable to B. 3, and that such office should be placed in Schedule B. of the Order in Council of the 4th June 1870, and they are aware that an increase of expenditure would thereby become inevitable. If this proposed office and salary be not approved, my Lords will lose the services of Mr. Moody, who, under the present arrangement, declines to retain his office of Instructor in Decorative Art. In the event of such loss, which would be most serious to the South Kensington Museum, and to the interests of decorative art instruction, my Lords must disclaim all responsibility, and would desire to place their opinion on record that it would be impossible to find a successor to Mr. Moody under a cost of at least three times the amount of fee which they have proposed should be paid to him.

I am, &c.

The Secretary, Her Majesty's Treasury. (signed) *Henry Cole.*

(No. 4090—73.)

Mr. *W. Law* to Mr. *W. E. Forster*, M.P.

Sir, Treasury Chambers, 15 April 1873.

THE Lords Commissioners of Her Majesty's Treasury have had before them Mr. Cole's reply, of the 11th ultimo, to their letter of the 13th February last, with regard to the situation of Instructor in Decorative Art at the South Kensington Museum, held by Mr. Moody; and I am to acquaint you, for the information of the Lords of the Committee of Privy Council on Education, that their Lordships are pleased to assent to the payment to that gentleman of a salary of 350*l.* per annum, and of his classification among the officers paid for under the Sub-head B. 3 (Salaries of National Art Training School) of the Vote for the Science and Art Department.

I am to state that my Lords understand that this sum of 350*l.* will cover every service of every sort which Mr. Moody performs in the way of instruction only, and that whatever else he receives from the Votes, whether of the Department of Science and Art or of the Office of Works, will be payment at ordinary rates for work ordered by the Lords of the Committee on Education to be undertaken by him about the premises, just as their Lordships might have ordered the same work to be undertaken by any other equally skilful artist independent of and unconnected with the Department.

This union of official and business relations in the same person with the same department is unusual, and obviously requires to be strictly supervised. It is not an arrangement which my Lords think generally desirable.

With reference to a part of the observations in Mr. Cole's letter, I am directed to explain that the inquiry made in the letter (1619) from this Board of the 13th ultimo, about the number of hours (said to be 15) employed by Mr. Moody in preparing designs, had no reference to the quality of his work, of which the Lords of the Committee on Education are the sole official judges, but was intended only to elicit information as to the means whereby the number was ascertained. It seemed strange that the number should always be the same, unless an assumption or average were taken. But of course, if the number is taken from a diary, the question which my Lords intended to put is answered.

Appendix, No. 1.

My Lords have already explained that Mr. Moody's salary will carry no right to pension with it, and they see no objection to gazetting the situation of Instructor in Decorative Art into Schedule B, by a notice in the "London Gazette," which may be in the following terms:—

"The Lords of the Committee of the Privy Council on Education, with the concurrence of the Lords of the Treasury, hereby give notice that the situation of Instructor in Decorative Art in the department of Science and Art is withdrawn from Schedule A, and is added to Schedule B of the Order in Council of 4th June 1870."

Copies of this correspondence have been sent to the Comptroller and Auditor General for his information.

I am, &c.,
(signed) *William Law.*

The Right Honourable W. E. Forster.

Appendix, No. 2.

PAPER handed in by Mr. *Mitford.*

Appendix, No. 2.

OFFICE OF HER MAJESTY'S WORKS AND PUBLIC BUILDINGS.

BUILDINGS under the Charge of this Department, used for TELEGRAPH purposes only.

LONDON.

Albion Place, Blackfriars.

Stock Exchange.

Strand, No. 448.

COUNTRY.

Birmingham, Cannon-street.
Birmingham, Exchange.
Bolton, Stores Depôt.
Doncaster, Stores Depôt.
Grimsby, Victoria-street.
Hull, Exchange Buildings.
Lizard Point, Cornwall.
Manchester, York-street.
Manchester, Stores Depôt.
Newcastle-on-Tyne, Lombard-street.
Newcastle-on-Tyne, Stores Depôt.
Yarmouth, Fish-market.

Appendix, No. 3.

PAPER handed in by Mr. *Walker*.

MEMORANDUM on APPROPRIATION of OLD STORES and EXTRA RECEIPT MONEYS. Appendix, No. 3.

Admiralty, 12 April 1875.

1. AFTER reading through the papers which were prepared by Sir W. Anderson in 1869, and Mr. Mills in 1873, on the subject of "Extra Receipts," and the mode of dealing with them, it is manifestly unnecessary, after the full and exhaustive review under which the antecedent circumstances which led to the present system have been passed, to do more than consider the remedy for the acknowledged defects of the existing practice of paying extra receipts into the Exchequer.

2. The proposal made by Mr. Mills for this object appears on page 2 of his minute to be, that a total expenditure on services shall be submitted in the Estimates for the sanction of Parliament, but that the amount of money required to be actually voted by the House of Commons to carry out such services shall be arrived at by abating from the total estimated expenditure the amount of receipts expected to be derived from other sources than the Votes of Parliament, within each financial year; the appropriation of which receipts in aid of the total expenditure shall be thus sanctioned by the Legislature.

3. In considering this proposal, it appears of primary importance to state the main objection commonly raised to the appropriation of extra receipts in aid of annual expenditure, namely, that by such appropriation the Votes of Parliament for expenditure are supplemented from other sources, and the opportunity afforded for incurring expenditure on services not previously submitted to, and sanctioned by, Parliament.

4. It follows, therefore, that any process by which it would be in the power of a Department to expend money on services which had not received the sanction of Parliament would contain defects, the remedy for which has for many years past been considered to be to place credits outside the calculations of Departments in framing their Estimates, by causing them to be payable to the Exchequer as "Extra Receipts."

5. The power of a Department to expend money on services over and above the amount sanctioned by Parliament, would appear at present to be applicable in two ways:—

First. To do so, as it were, in disregard of the exact amount of provision (if any) taken for the service.

Secondly. To expend more on a service than sanctioned by Parliament in consequence of a surplus on some other Votes, which can be temporarily applied to the service required with the provisional sanction of the Treasury.

6. In the first-named case, no power exists, or probably could be brought to bear, to prevent a Department incurring expenditure, and no guarantee that excess from this cause will not occur is, therefore, obtainable, except that of the general integrity of the Department concerned. It appears important, therefore, that the possibility of such occurrences should be recognised for the following reasons:—

First. That the possibility itself may be foreseen, in order to show that all regulations to the contrary may be totally inoperative to prevent such an occurrence, which, under such conditions, will only be brought under the notice of the Treasury, Audit Office, or Parliament, after its final accomplishment, and then be presented in a more or less excusable shape, according to attendant circumstances.

Secondly. In order that such occurrences should be forced to stand out prominently, and not be sheltered by any financial arrangements, which would tend to afford a pretext for incurring expenditure, either for a service, or to an extent not sanctioned by Parliament, or which, when such expenditure had been incurred, would prevent the fact from being easily and fully discernible.

7. The objection to the application of extra receipts in aid of expenditure has, however, been held, in recent years, to have been deprived of much of its force in cases in which the estimated credits have been abated on the face of the detailed Estimates from the gross

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sum which, but for the anticipated credits, would have been required to be voted; as by these means the actual state of the case was placed under the view of Parliament before the Vote was taken. Instances of the credits alluded to will be found on Navy Votes 1, 2, and 12 of the Navy Estimates for the current year (1875–76), but other credits of a similar character are, as a matter of fact, abated each year from the gross sum otherwise required to be voted under other votes, but are not shown on the face of the Estimates.

8. It appears, therefore, to be desirable to examine very closely into the method of operation by which it is proposed to extend this principle, by not only increasing the exhibit of extra receipts on the face of the Estimates, but by causing them to enter more definitely into the financial arrangement sanctioned by Parliament in connection therewith; premising that, as to the correctness of the general principle of appropriating departmental extra receipts in aid of departmental expenditure, I entirely concur with the Treasury Memorandum.

9. As to the method of carrying out that principle, it should be observed that it is of the utmost importance that, with respect to those credits in aid, no opportunity should be offered by which a Department should become possessed of the power of increasing the funds at its disposal by any course of action which could be pursued without the previous sanction of Parliament. For this reason it appears advisable that "old store moneys" should not form a portion of the estimated receipts to be abated on the Estimates, inasmuch as the amount of old and surplus stores sold within a year is entirely within the discretion of a Department to determine.

10. Thus, if a Department, rightly or wrongly, considered it to be desirable to expend more money than voted by Parliament for any service, the sale of stores by public auction, &c., could be increased within the year in which it was wished that such expenditure should be incurred, and the service could be paid for out of the proceeds. Of course, when the Appropriation Account for the year was presented to Parliament, the transaction would appear, and if sufficiently extensive in its character would attract special attention, but if not so, it would probably escape notice and criticism. At any rate, without imputing financial immorality to Departments, it is evident that the proceeds of the sale of old or surplus stores should not be permitted to constitute a fund by means of which differences between estimate and expenditure might be rectified at the will of the Department administering the Votes. (*See* Third Report of Select Committee of House of Commons on Public Expenditure, ordered to be printed 29th June 1808, page 115.)

11. Confining, therefore, the credits to be shown on the face of the Estimates in diminution of the amount otherwise required to be voted to such extra receipts as may be defined as receipts over which a Department possesses but little power individually of increasing or diminishing the amount, it would, nevertheless, occur from time to time that the estimated amount of such receipts would fall short or exceed the sums expected when the Estimates were framed.

12. In the case of the receipts falling short, it is evident that if the full expenditure expected in the year actually arose, an excess vote would be required to meet it on the Appropriation Account being passed by the Committee of Public Accounts, but the case would be clear and easily explained.

13. If, on the contrary, the estimated receipts exceeded the amount shown on the Estimates, the Department would, if not prevented, have the means indirectly afforded for defraying expenditure to an amount not sanctioned by Parliament.

14. It is observed that the Memorandum, prepared at the Treasury on 12th December 1873, page 2, paragraph 3, notices this latter contingency as one which has been deprived of much of the objectionable character formerly attaching to it, in consequence of the more prompt and detailed appropriation audit now applied to departmental accounts, as compared with that which formerly obtained.

It cannot, however, be disputed, that the examination into the Appropriation Accounts, however complete, is necessarily of a *post facto* character, and that the old objection can, therefore, scarcely be said to be entirely disposed of, which should be the result before any return is made to the practice formerly pursued of crediting the Votes with extra receipts, which practice may be said to have actually been discontinued in consequence of this very objection.

15. The plan suggested in the accompanying Treasury Memorandum will, it is therein considered, dispose of this objection, but in this opinion I am unable to concur. At page 3 of the Treasury Memorandum, paragraph 7, it is stated, that "although the Department "will make use of these increased receipts, the issues from the Exchequer by the Treasury "on account of the net grant will be correspondingly diminished," it is well to observe, however, that in numerous instances the net grant will have been actually issued before the extra receipts for the year will be known of outside the department concerned. This principle of correction could therefore seldom be applied. Again, at page 4 of the same memorandum, section 5, paragraph 2, it is proposed, that "if the excess of expenditure has "been temporarily covered by an excess of miscellaneous receipts, then no further grant "out of the Exchequer will be necessary, but the House of Commons must be asked to "sanction the additional expenditure, by resolution in Committee, in the same way that "the application of Army and Navy surpluses is now sanctioned."

16. It

16. It is true that in the Appropriation Act for each financial year a clause (No. 4 of Act of 1874) is introduced by which power is given to Departments, with the sanction of the Treasury, to temporarily apply surpluses, which may exist, or may be effected by the saving of expenditure upon Votes within the same Department, to defray expenditure which, though unprovided for, it may be detrimental to the public service to postpone until provision can be made for it by Parliament in the usual course; but to extend this power, as proposed, beyond the limits now allowed by the Appropriation Act, and thereby permit excess of credits to be applied in aid of excess of expenditure, is a course which, though pursued at present in the Navy Estimates, appears to be open to considerable objection, and one which it is not at all desirable to extend.

17. In the first place, although the old store moneys might be excluded from the estimated credits, as herein suggested, thereby leaving the remaining credits to arise chiefly by the action of demand by one Department of Government, foreign Governments, private individuals, &c., and supply by the Department receiving the credit, yet it should, nevertheless, be borne in mind that, although the transaction thus involves two parties in its completion, yet the Department making the supply will at all times possess, in more or less degree, the power of so manipulating the accounts as to influence the date on which the repayment would occur, and thus include or exclude the credit with reference to the Appropriation Account of any particular financial year.

18. In the case of the appropriation of surpluses in aid of excesses, as sanctioned by the Appropriation Act, it will be observed that the aggregate Army or Navy Votes cannot be exceeded, and, therefore, it becomes merely a question of selection as to the relative importance of services on which either to incur or withhold expenditure; whereas, in the case of appropriation of excess of extra receipts, the expenditure incurred might easily be in excess of the total amount sanctioned by Parliament, and be expended on services which had formed no portion of the original programme of work or services, as provided for in the Estimates.

19. Whilst concurring, therefore, in the opinion that the appropriation of "Extra Receipts," as distinguished from "Old Store Moneys," in aid of departmental expenditure, is more correct in principle, and easier in practice than the present system, and attended with many advantages not derivable under the existing regulations of paying the same into the Exchequer, I am nevertheless strongly of opinion that the only ground on which such a proposal can be expected to meet with the acquiescence of the Exchequer and Audit Office, and of Parliament, is, that such a system should be so conducted as to exhibit beyond all doubt that under no circumstances whatever could the existing system of previous sanction and subsequent review by Parliament of departmental expenditure be relaxed in principle or practice in the slightest degree, or evaded by any process whatever.

20. I would therefore suggest,—

First. That under no circumstances should any larger sum than that shown on the Estimates, under each Vote, as the credit expected to be realised in aid of such Vote, be permitted to be utilised for departmental purposes in each financial year, and that any credits received in excess of such sum, on each Vote, should be paid into the Exchequer as the excess of receipts authorised to be received by Departments.

Secondly. That old store moneys and proceeds of sale of surplus stores should continue to be paid into the Exchequer for the reasons previously given herein.

Thirdly. That if necessity is thought to exist for altering the form of resolution in Committee, that the wording might be as follows:—

(Navy.) That an expenditure of 2,600,000 *l.* be sanctioned for wages to seamen and marines, which will come in course of payment in the year ending 31st March 1876, and that the net sum of 2,597,000 *l.* required to be voted be granted to Her Majesty to defray the same.

Fourthly. That in the Appropriation Act the course to be followed with respect to extra receipts should be clearly defined, and that the power of the Treasury to sanction expenditure in excess of certain Votes, when required, out of surpluses on other Votes should be strictly limited to the sums which have been actually voted by Parliament, exclusive of extra receipts.

21. By this arrangement the payments (if any) to the Exchequer on account of extra receipts, which would be made annually, would amount to a very small sum, composed, as stated in the Treasury Memorandum, page 4, section 4, clause 3, of merely casual and special receipts which cannot properly be otherwise treated, and would follow the same course as would be inevitable, even under the Treasury proposal, in the case of a surplus arising both on the grant and on the extra receipts. (*See* page 4, section 5, paragraph 3, of Treasury Memorandum.)

(signed) *H. Walker*,
Accountant General of the Navy, &c.

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MEMORANDUM on AUDIT of NAVAL RECEIPT and EXPENDITURE.

Admiralty, 23 June 1875.

1. In accordance with the First Lord's desire that I should express my opinion with respect to the proposed application of the system of detailed audit by the Exchequer and Audit Department to Navy Accounts, I beg to offer the following observations.

2. The immediate necessity for discussing the principles and application of an Exchequer and Audit Office examination of Naval Receipt and Expenditure in detail, would appear to be the motion of the honourable Member for Hackney (Mr. J. Holms), set down in the Parliamentary Notice Paper for discussion on 29th June 1875, in the following terms:—

(ARMY AND NAVY AUDIT.)

"That in the opinion of this House, in order to secure the due appropriation of Army "and Navy Expenditure to the purposes intended by Parliament, it is expedient that "the system of independent audit which, since the passing of the Exchequer and Audit "Department Act, 1866, has been successfully applied to the accounts of the annual grants "for the miscellaneous Civil Services, should be extended in its leading principles to the "grants for Military and Naval Services."

3. The above it may be observed is the second notice of motion on this subject which has appeared in the Parliamentary Notice Paper within the last few years, the first having emanated from the honourable Member for Lincoln (Mr. Seely), on the 4th May 1871, in terms identical with those quoted above.

4. Shortly after this last-named notice (Mr. Seely's), the Public Account Committee, in their Sixth Report, stated that they had "on two occasions* in past years recommended that an inquiry should be undertaken by the Treasury into the propriety of "extending the audit of Naval and Military Accounts by the Comptroller and Auditor "General," "they think it right to observe that no official action seems hitherto to have "been taken in reference thereto."

5. The Treasury, however, in 1872 commenced an investigation into the system of accounts as conducted at the War Office, and it was commonly understood that, at the conclusion of their labours in that Department, a similar examination into the system of Admiralty accounts would be proceeded with.

6. In the meantime, however, the Board of Admiralty under the late Administration considered it desirable to appoint a committee to inquire into the system of accounts and departmental audit now in force in the Department of the Accountant General of the Navy, and to report whether any, and if so what, improvements could be made in the same.

7. The Committee was composed of the following gentlemen:—

Mr. G. J. Shaw Lefevre, M.P., Financial Secretary of the Admiralty.
Mr. Turquand, } Members of the firm of Turquand & Youngs, Public Accountants
Mr. John Young, } in the City.
Mr. H. W. R. Walker, Accountant General of the Navy, and,
Mr. Charles Vine, of the Treasury.
(This latter gentleman, however, took but little part in the proceedings of committee through ill health.)

8. The Committee met in April 1872, and on 16th August of that year issued their Report to the Board of Admiralty, which report was, on the motion of Mr. Shaw Lefevre, laid before the House of Commons and ordered to be printed on 26th February 1873. (*See* Parliamentary Paper, No. 70, Session 1873.)

9. The conclusions arrived at, and stated in their Report by this Committee will be alluded to further on, but the foregoing briefly explains the condition of this question at the present time; observing that, so far as I am informed, the Treasury Committee have not as yet reported on the War Office system of accounts, &c.; and in offering the following remarks on this subject I propose to confine myself entirely to the proposal as affecting the accounts of the Navy.

10. It will be observed that it is stated in the terms of the motion proposed to be brought under discussion on 29th instant, that the system of independent audit which has been successfully carried out in respect of the Civil Services, it is considered should be extended in its leading principles to the grants for military and naval services. It may be well to review the circumstances under which the present system of audit as applied to Civil Service Accounts came into existence.

11. For

* Reports of Committee of Public Accounts, 21st July 1868, and 7th July 1869.

11. For this purpose no better information is perhaps obtainable than that contained in the Appendix (No. 1) to the Report from the Committee of Public Accounts, Session 1865, in a Paper prepared by Mr. Charles Macauley, then Secretary of the Board of Audit. In this document allusion is made to the Report of the Select Committee of the House of Commons appointed in 1856 to inquire into the Receipt, Issue, and Audit of Public Moneys, in which it is stated that "the concurrent audit or appropriation check, first "applied to the expenditure of the Grants for Naval Services in 1832,* and subsequently "extended to the several Army grants, was a new security introduced for insuring a strict "appropriation of the grants of Parliament. It was not intended to limit the discretion "of the responsible departments of the Executive Government in which it was established, "but to secure a revision of their accounts by an independent authority invested with "sufficient powers of investigation to detect any misapplication of the Votes, or any "deviation from the appropriation sanctioned by Parliament." * * * * * "Your Committee recommend that this important check upon the application of the public "money may be extended to the accounts of the income and expenditure kept at the "Treasury, to the accounts of the Revenue Departments, and to the various accounts "comprising the expenditure of the Votes for Civil Services, including civil contingencies." With respect to the application of the appropriation check to the expenditure charged on the Votes for Civil Services, Mr. Macauley proceeds to remark that "it is indeed true that "the House of Commons have never at any period possessed the means of establishing a "trustworthy comparison between the Civil Service Votes and the expenditure charged to "them; * * * * that it has been demonstrated (in evidence given by "several officers of Government to various Parliamentary Committees) that while there "is a large portion of the miscellaneous expenditure which the Commissioners of Audit "do not examine at all, there is *no* part of that expenditure which they examine with "reference to the requirements of Parliament as contained in the Appropriation Act; "that the system of Exchequer control, upon which so much elaborate contrivance has "been spent, is very limited in extent, and that the Finance Accounts which are yearly "laid before Parliament are prepared on a principle which renders it impossible that they "should exhibit accurately the relation between the grants of Parliament and the expendi-"ture of the kingdom."

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Much discussion arose and several proposals were made as to the mode of carrying out the recommendations of the Select Committee of 1856, before the present system came wholly into operation, and whilst the question was thus under consideration a Treasury Minute (Parliamentary Paper, No. 94, 1858) states as follows:—"In those departments † "in which the concurrent audit of appropriation has hitherto been satisfactorily established, "the whole of the pecuniary transactions which form the subject matter of the accounts, "are under the sole control and direction of those departments. They can follow the "moneys in their own books from their origin to their final appropriation; from the first "to the last stage of record in the accounts no link is wanting. The examination of the "whole of the vouchers and accounts both before and after payment rests with them. "The concentration of duties and undivided control gives to the departments all the "facilities they require for keeping perfect accounts, and for laying before the auditors "the records and documents necessary for their verification. But these facilities are "wholly wanting in regard to the accounts of the expenditure of Civil Services; the "claims are investigated in one department, ordered for payment in another, paid in a "third, and audited in a fourth; many of these payments are in the shape of imprests or "advances to sub-accountants who account directly to the Audit Board." * * *

A further Treasury Minute, dated 23rd December 1858 (Parliamentary Paper, No. 487, 1858), states that "in order to effect the improvements recommended by the Select "Committee, they will detach from the establishment of the Treasury an officer whose "special duty it will be to establish in each department in communication with this Board "a system of accounts uniform with that which has for many years been in successful "operation in the Naval Department."

An analysis of the Civil Service Votes indicates that the expenditure therein provided for is of that character which necessitates the authority for it being incurred emanating from the office which actually makes the payment, and the several departments would practically audit their accounts, in the most literal sense of the phrase, if that duty were intrusted to them instead of the Exchequer and Audit Department; no audit whatever then existing, if that process is understood to be an examination of payments, both as to their being correctly vouched and properly authorised, by an authority extrinsic to that which authorises and also defrays the expenditure.

It would also appear that neither in extent nor character would any of the Civil Service accounts permit of a departmental audit, without probably creating offices the duties attached to which would be in no degree commensurate with the necessary position and salary of the officer who might be entrusted therewith. For this reason doubtless the detailed administrative audit, as formerly conducted by the Audit Office in the case of "Works" and "Woods," is necessarily conducted by that office at present with respect to Civil Services generally.

This view appears to have been entertained by Mr. Macauley as expressed in his verbal evidence

* Brought forward by Sir James Graham, then First Lord of the Admiralty.
† Admiralty, War Office, Board of Works, Commissioners of Woods.

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evidence given before the Public Accounts Committee of Session 1866 (*see* Report, p. 21), in which he states as follows: "whenever a service is of sufficient importance to have a "distinct accounting branch and an office of accounts, I think you might very safely apply "to that service the plan which you apply to the army and navy; that is to say, you "would not, of course, relieve the department from the obligation of sending to the Audit "Office the vouchers in support of the charges made against the votes, but you would "relieve the Audit Office from the duty of checking the castings and computations of the "several items making up the totals of those vouchers."

The foregoing extracts from Mr. Macauley's evidence possess the more importance when it is noticed that the Exchequer and Audit Office Act of 1866 was evidently framed in accordance with the suggestions offered by that gentleman, then secretary to the Audit Board.

It will have been seen from the foregoing what the circumstances were which led to an appropriation as well as a detailed audit of Civil Service receipt and expenditure by the Exchequer and Audit Office; it remains to be shown from what causes the present non-existence of detailed audit of naval receipt and expenditure by the Exchequer and Audit Office arose.

For this purpose, I feel that I cannot do better than quote verbatim from a Report of Sir William G. Anderson, late Deputy Comptroller and Auditor General, dated July 1872, which that officer furnished, as evidence, at the request of the Admiralty Committee of 1872, before alluded to, as follows (*see* page 99, paragraph 7, Parliamentary Paper, No. 70, 1873):—

"I will now submit, for the consideration of the Committee, some remarks on the second subject of their inquiry, namely, the important one of 'cash audit.' As this question has recently engaged the attention of the Select Committee of the House of Commons on Public Accounts, and as the Treasury appear, by recent Minutes, to entertain an opinion that the present departmental audit is not altogether satisfactory, and have consequently appointed a committee of their own officers to inquire into the system of audit in operation at the War Office, I hope the Committee will excuse me for entering more fully into the history of the question than I should have thought necessary if the sufficiency of the departmental audit had not been questioned.

"The Exchequer was originally charged with the duty of auditing the public accounts; the Lord Treasurer and the Barons of the Exchequer sat in the Upper Exchequer at the Court of Account, and the accounts of all public accountants were subject to their judicial control. At a later date the auditors of the imprests, who were Exchequer officers, were charged with the duties of audit, and continued their functions until the abolition of their offices by the Act of 25 Geo. 3, c. 52.

5th Report, 2nd part, of the Commissioners on the Public Expenditure of the United Kingdom, p. 14.

"Towards the end of the American war numerous petitions were presented to Parliament by different counties and public bodies, praying for reform in the public expenditure, in consequence of which, Lord North, on the 2nd March 1780, submitted to the House of Commons his plan for the appointment of Commissioners of Accounts, who were not to belong to either House of Parliament, and an Act (20 Geo. 3, c. 54) was passed appointing the Commissioners, by name, 'to examine, take, and state the public accounts of the 'United Kingdom.'

Parliamentary History, vol. 21, p. 145.

"The Commission which this Act established was renewed, from time to time, by subsequent Acts, for limited periods. The results of their inquiries are contained in 15 reports addressed to both Houses of Parliament, the first of which bears date the 27th of November 1780, and the last the 19th December 1786.

"The Committee of the House of Commons on Public Expenditure, in 1810, give their opinion of these reports in the following terms:—

"'The merits of these reports are well known; they are remarkable for the distinctness and perspicuity of the style, and the great accuracy of their details, and contain a greater mass of information relative to the mode of transacting public business in some of the most important public departments than can elsewhere be found.'

"Among the most important subjects discussed in these reports were the functions of the auditors of the imprest, and the manner in which they examined and passed the public accounts of the army, the extraordinaries of the army, the navy, and the ordnance. The statute by which the Commissioners of Accounts were appointed particularly directed their attention to the offices of the auditors of the imprest, requiring the Commissioners to report any defects which they might find in the mode of accounting for public moneys in their offices, and what were the particular causes of these defects; and they were further directed 'to report such orders, rules, and regulations as in their judgment should appear 'fit and expedient to be established, in order that the moneys granted, raised, and appro-'priated for the public service should be received, issued, expended, and accounted for in 'the manner most expeditious, most effectual, and most beneficial and advantageous for the 'public.'

Sect. 5 of Act 20 Geo. 3, c. 55.

"The Commissioners inquired minutely into the accounts of the Paymaster General of the Forces, of the extraordinaries of the army, and of the treasurers of the navy, and of the ordnance, and they gave the most decided opinion that the examination of the accounts by the independent Exchequer officers (the auditors of the imprest) was attended with no public utility; and they recommended, as the final result of their inquiries, that the accounts of the army, and army extraordinaries, should be audited by the Comptrollers of Army Accounts, and those of the navy and ordnance by the Boards at the head of those two departments.

"In

"In furtherance of the recommendations of the Commissioners an Act was passed in 1785 (25 Geo. 3, c. 52), abolishing the patent offices of the auditors of the imprest, and appointing five Commissioners of Audit as a Board for auditing the public accounts. This Act transferred to the new Audit Board all the powers and duties previously vested in the auditors of the imprest. But in order to give effect to the recommendations of the Commissioners of Accounts, it was enacted by the 22nd section of the Act that when any sub-accountants should transmit to the Audit Board a satisfactory discharge from the principal officers of the Ordnance, the Commissioners of the Navy, the Commissioners for Victualling the Navy, or the Commissioners of Sick and Hurt, for any moneys received in the said departments severally, the Board of Audit should transmit a duplicate of the same to the King's Remembrancer, in the Court of Exchequer, and that this officer should forthwith strike out the names of such sub-accountants from the Imprest Roll, who should then be discharged from any further account for the same.

"Thus ended, in 1785, the independent audit of the naval and military expenditure by the Exchequer officers, which was instituted at a remote date when the expenditure for those services was of very limited amount; but even at that date (1785) it was found unsuited to the growing transactions of the departments, the peace expenditure for which was under five millions for the two services.

"If the departmental audit was a necessity then, how much has that necessity increased with the growth of our naval and military establishments, the annual cost of which has reached 24 millions.

"The measures established by the Act of 1785 continued unquestioned for many years, and nothing more was heard of independent auditors for our warlike services until the year 1819. The Finance Committee of that year took some evidence on the subject, and written questions were put by them to the Treasury, to which written answers were given by Mr. George Harrison, their secretary. These questions and answers will be found in Appendix No. 10 to the Sixth Report of the Public Accounts Committee of 1871, page 112; they are well worthy of perusal, as is also the able evidence of Lord Northbrook before the same committee, on the 5th July 1871. In that evidence his Lordship refers not only to the opinions of the Commissioners of Accounts, as recorded in their 15 reports, from 1780 to 1786, but he quotes also from the report of an official committee in 1840, consisting of the chairman of the Audit Board (Mr. Larpent), the principal financial officer of the Treasury (Mr. Brooksbank), and the chief clerk of the War Office (Mr. Croomes), who fully endorsed the opinions of the Commissioners of Accounts of 1780, those of the Select Committee of the House of Commons of 1810, and those of the Treasury, as expressed by their secretary (Mr. George Harrison) in 1819.

"This question of independent audit did not escape the vigilance of Sir James Graham, when he was discussing the clauses of his Bill for amending the Laws relating to the Business of the Civil Departments of the Navy (2 Will. 4, c. 40, 1832). After fully considering the question with Mr. Larpent, the chairman of the Audit Board, he added the following proviso to the Appropriation Audit Clause of that Act (section 30).

"'Provided also that nothing herein contained shall be construed to vest in the Board of Audit any discretion as to the allowance or disallowance of any item of expenditure, in support of which the usual and regular vouchers shall have been produced to and allowed by the Commissioners of the Admiralty.'"

From this able historical sketch the fact is exhibited that at one time both the army and navy accounts *were* subjected by the former representatives of the present Exchequer and Audit Department to an audit of a different and evidently more detailed character than that of appropriation which now obtains, and that the inutility of such detailed audit was then clearly demonstrated, and consequently its abolition effected.

An analysis, however, of the accounts of naval receipt and expenditure as at present existing brings to view a very different state of affairs from that which existed with respect to the Civil Service votes, when their appropriation audit was entrusted to the Exchequer and Audit Office in 1866, and for this purpose a condensed extract from the Report of the Admiralty Committee of 1872 supplies the required information, as follows:—

I. ACCOUNTS.

We find that four separate accounts are prepared in the Accountant General's department, in accordance with the requirements of Parliament; first, the Appropriation Account, or Balance-sheet of Yearly Naval Expenditure contrasted with the Parliamentary Grants; secondly, the Dockyard Manufacturing Accounts, which show the Cost of Manufacturing Articles at Dockyards from Raw Materials; thirdly, the Expense Accounts of the Dockyards, which are statistical, and show the yearly cost of shipbuilding and dockyard work upon ships generally; and, fourthly, the Victualling, Conversion, and Expense Accounts.

The expenditure upon Naval Services may be divided into three classes:

The first class consists of payments by bill or cheque drawn by the Accountant General upon the Paymaster General, in settlement of claims made upon the Admiralty by contractors for supplies of stores, ships building under contract, machinery, new works, and other miscellaneous services.

The second class consists of payments made by accountant officers ashore and afloat. The greater part of this expenditure is for the pay of officers and seamen; wages to workmen at the dockyards; local purchases of stores, and half-pay and pensions; the remaining portion relates to items of miscellaneous expenditure.

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The third class consists of payments of non-effective services, such as half-pay and pensions which are made upon the authority of the Paymaster General, and the salaries of the civil establishments in town, which are paid by the Paymaster General monthly, upon the authority of the Accountant General, either in cash or by cheques upon the Bank of England.

These three classes of payments are brought to account by books kept on the system of double entry, and are posted in the ledger, under the heads of service for which Votes have been granted by Parliament.

First Class.

Payments by Bills for Contractors' Claims, &c.

The mode of examining claims, and bringing to account the payments under this class, is as follows:—

Stores supplied by contractors, &c.

1. *Mode of Examination.*—The following process of examination is applied to claims for stores supplied by contractors:—

Upon a requisition made, either periodically or specially, by the professional officers, a demand for the articles required is made by the storekeeper of the yard upon the superintendent of stores. This latter officer, having satisfied himself of the propriety of the demand, and that it cannot be met by a transfer from any other yard, sends it to the Superintendent of Contracts, whose duty it is to order the supply under an existing or under a new contract.

Upon the delivery of the stores at the yard by the contractor, the storekeeper, having satisfied himself that they are in accordance with the terms of the contract, takes charge of them. The accountant, upon being advised of the receipt of the goods, calls upon the professional officers to inspect the stores and ascertain that they are equal in quality to the contract sample or pattern. If the report is in the affirmative, the accountant inspects the stores, both as to quality and quantity. In doing this he is accompanied by the storekeeper, or his representative, who accepts the debit if he is satisfied with the correctness of the charge.

After examination the invoice is made out in duplicate, one copy being retained by the accountant, and the other returned by the storekeeper to the contractor, on which the latter prefers his claim for payment.

Daily statements, or sections as they are called, of the receipt of the stores are prepared by the storekeeper and the accountant. The accountant sends his section, containing the quantities, rates, and values to the Superintendent of Contracts; the storekeeper sends the corresponding section to the Accountant General.

Before the claim is paid the following examination is made at the Admiralty, in the departments of the Superintendent of Contracts and the Accountant General.

In the department of the Superintendent of Contracts, the contractor's claim when it is received is compared with the section sent by the accountant. The quantities and rates are then examined with the original contract, the values are calculated, and, if found accurate, the claim is initialled by the Superintendent of Contracts and referred to the Accountant General.

In the department of the Accountant General the claim, when it is received, is compared as to quantities and rates with the section sent by the storekeeper; is checked as to the correctness of the values, and is examined with the records of the original contracts kept in the department. The claim is then classified according to the heads of service, and is initialled, in proof of accuracy, by the head of the examining branch, who also prapares a Minute to authorise payment, which is initialled by the Accountant General, if he is satisfied of its correctness.

The same course is adopted, substantially, in regard to purchases made at the central office for other civil establishments at home.

Issues of stores.

As regards the issue of stores, before any officer can obtain stores an issue note is presented to the storekeeper containing the name of ship or service, the person to whom the issue is to be made, the material required, and the signature of the foreman demanding the stores.

This document is registered by the storekeeper. When the stores are supplied, the storekeeper's agent states on the face of the document the quantities issued.

The officer to whom the stores have been supplied signs for them. The issue notes are collected at the end of each day and sent to the storekeeper's office, and are compared with the register to see that the number and quantity delivered are correct. The clerk in the storekeeper's office then inserts, on the issue note, the sub-head and the item of stock, which are abstracted into the daily abstract sheets, and posted to the credit side of the stock ledger.

Ships building under contract, and machinery.

The claims in respect of shipbuilding under contract, steam engines, and yard machinery, are received by the Controller of the Navy, who calls for a report from the inspecting officers as regards the two first, and refers to the "Machinery Sections" sent from the yards as regards the latter.

If these documents establish the performance of the work, or the receipt of the articles, and the contract or agrement warrants the payment applied for, the claim is sent to the Accountant General; in his department it receives a second check on the above points, and is passed on for payment by bill.

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If the contract or agreement does not warrant the payment, the Controller, if he thinks fit, obtains their Lordships' authority for making it, and the Accountant General accepts that authority as overriding the contract.

The duties of the Accountant General's Department are simple and straightforward as regards these claims, except when questions of penalties and breaches of contract occur.

New works.

Another large section of payments made by bill or cheque, under this class, is in respect of buildings and works executed by contract for the Admiralty.

Claims for ordinary works under these contracts are certified to, as regards quantities and the due execution of the work, by the local professional officers. In the case of large works, such as the extension works at Portsmouth and Chatham, a certificate is given by an independent Government surveyor.

These claims are made out from the abstracts of the contractors' measurement books, which have been previously agreed with those kept at the works by the Admiralty officers; and are sent to the Director of Works, who examines them as to the due execution of the work, the rates of charge, and the values. They are then forwarded to the Accountant General, whose responsibility is limited to seeing that the work has been duly authorised, that the values are correct, and that due provision has been made for the same by Parliament.

Claims for stores which are purchased for the replenishment of the small stock kept by the Director of Works for current use, are subjected to examination, both as to rates and values in the Department of the Accountant General, who is also responsible that they are purchased under proper authority, and that provision is made for them within the limits of the Vote for Works.

Miscellaneous expenditure.

The remaining payments under this class are in respect of miscellaneous services, and consist principally of monthly remittances of pay by naval officers to relatives, travelling expenses of naval officers, freight of troops on board hired ships, and sundry other payments which are not of sufficient importance to be specially named.

Amount of payments under Class 1

The claims for which payment under this class has to be provided out of the grants voted by Parliament for the naval service, amount annually to about 3,500,000*l.*

Audit by Exchequer and Audit Department.

The claims are examined independently by an officer of the Exchequer and Audit Office, who satisfies himself,—

That from evidence upon the face of these claims, as shown by the initials of authorised officers, they have undergone the prescribed checks in the proper departments, as to the accuracy of quantities, rates, and values.

That the minutes authorising the issue of bills or cheques are duly signed by the Accountant General; and

That the classification of the charges is in conformity with the sub-heads of the general votes as prescribed by the Appropriation Act.

Having satisfied himself on these points, he checks the correctness of the entries in the several registers, under the various sub-heads stated on the claims, and the transfer of these entries into the abstract register in which the payments are entered under the authorised heads of service.

He also compares the totals on the monthly abstract form with the totals under the respective heads of service in the abstract registers. This monthly abstract form he traces into the journal, and subsequently reads off, with an Admiralty clerk, the journal entries into the ledger; and, as an additional check, he extracts from the abstract register monthly, under the several Votes of Navy Supplies, the sums journalised monthly, comparing the totals with the quarterly trial balance sheet prepared from the ledger.

Second Class.

Payments by Accountants ashore and afloat.

The expenditure under this class is of three kinds:—

(*a.*) Payments made by the cashiers of Her Majesty's Dockyards, on account of the current expenditure incurred at the dockyards, victualling establishments and hospitals, which consist chiefly of salaries, wages, pensions, and seamen's allotments.

(*b.*) Payments made by paymasters of Her Majesty's ships on account of the current expenditure for the service afloat, which relate chiefly to the pay of officers, seamen, &c., and provisions, and

(*c.*) Payments made by paymasters of marine divisions, and by accountant officers employed on miscellaneous services.

The mode of examining and bringing to account payments under this class is as follows:—

Payments by cashiers of dockyards, &c.

1. *Mode of Examination.*—(*a.*) Payments by cashiers of dockyards are, with the exception of wages to workmen, supported by vouchers, which are transmitted to the Admiralty, quarterly, with the cash account of receipts and payments, classified upon a form, adapted for the purpose of bringing to account the items in the order of the Navy Votes. When received at the Admiralty, they undergo an examination substantially the same in regard to authorities as that applied to the first class of payments already described.

When all the vouchers have been examined and the payments authorised by the proper branches, the accounts are reported to the Deputy Accountant General as complete and

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examined; upon this admission of the items as correct, the accounts are passed by the Accountant General, and the accountants who render them are informed either of any differences which have been discovered, or that the accounts are correct and have been passed.

With reference to the check upon the accuracy of the payment of wages to workmen at the dockyards, which are not examined at the Admiralty, but at the yards where the wages are paid, the following course is observed:—

Each yard is allowed a certain number of men by Parliamentary vote. Before, however, a man can be entered on the establishment, a submission must be made by the head of the department in which he is to work. The submission, when approved by the superintendent, is the authority for the cashier to enter him on the muster and pay books. This document has to be produced to the accountant before he acknowledges him as a workman in the establishment.

Each man is known on the muster and pay books by name and number, and the time that each man works is ascertained as follows:—

On entering the yard he passes through a muster gallery, under the inspection of the cashier's agent, called the "time-keeper," and takes a metal ticket with a number corresponding with his number in the muster and pay books. Before going to work he deposits this ticket with the professional or leading man under whom he is employed, who keeps it in his charge until the time arrives for leaving the yard.

His ticket is then returned to him by the professional officer or leading man under whom he was at work, and is deposited in the muster gallery as he leaves the yard. The cashier's agent, from an examination of the tickets left in the muster gallery, ascertains what men are absent, and enters their numbers in a book kept for that purpose, which is sent to the cashier, who records the absence in the muster and pay books as a check against their wages. The professional officers also keep an independent record of all lost time. At the end of each week the cashier, on the face of the muster and pay books, calculates the amount of wages due to each man.

The accountant, at the end of each week, receives from the professional officers their account of lost time, which he compares with the record of time appearing in the muster and pay books kept by the cashier. All differences discovered by him, as regards time, are recorded in a book, which is forwarded to the professional officer and cashier for explanation, and is brought weekly under the consideration of the admiral superintendent, who, having examined it, determines all differences not reconciled, and signs the record in proof that they have been brought under his notice.

Any discrepancies discovered by the accountant in the audit of rates and amounts of wages are similarly recorded and dealt with, and are adjusted in the following week.

The accountant's audit with reference to cash expenditure in the dockyard is final as to the amount paid for wages only, all other disbursements being audited in the central office.

Payments by paymasters afloat.

(*b.*) Payments made by paymasters afloat are supported by vouchers, and are approved in all cases by the commanding officer, who also certifies that he has examined the cash account, with the vouchers, and the balance of cash in the hands of the paymaster. The vouchers are transmitted to the Admiralty *monthly* by each paymaster, with a current account of receipts and payments. The payments consist of the pay to officers and men, current purchases of provisions or stores, and expenditure of a miscellaneous and variable character.

Upon receipt in office these accounts are dealt with in a manner similar to that adopted with the accounts of the cashiers of civil establishments; with this difference, that the accounts are sent into office unclassified, and that the duty of classification is imposed upon the central office.

Audit by Exchequer and Audit Department.

The officer from the Exchequer and Audit Office subjects this class of payments to an examination which is limited to seeing that, upon the face of the accounts, they are allowed by the proper authorities, and correctly classified and posted in the ledger.

Third Class.

Payments upon the Authority of the Paymaster General and by the War Department.

The expenditure under this class consists chiefly of payments for half-pay and pensions.

1. *Mode of Examination.*—Half-pay and retired pay are paid on the authority of the Board of Admiralty by the Paymaster General, upon warrants prepared in the Accountant General's Department, in accordance with the services and rates, authorised by Orders in Council.

Pensions to naval officers are similarly paid, by the Paymaster General upon warrants authorised directly by the Board.

Pensions for civil services are paid under the Superannuation Act by the Paymaster General, and are regulated in conformity with the decisions of the Treasury, upon statements of services prepared in the Accountant General's Department.

Pensions to seamen and marines are awarded by the Board of Admiralty upon statements of service prepared in the Accountant General's Department. The amounts which are awarded by the Board are communicated by warrants to the War Departments, under whose authority the payments are made through the medium of the staff officers of pensions.

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The payments under this class amount annually to about 1,500,000 *l.* sterling, of which about 350,000 *l.* is paid through the medium of the War Department.

Amount of payments under Class 3.

In regard, however, to bringing to account the payments of pensions to seamen and marines, the War Office, at the termination of each financial year, transmits to the Admiralty a collective statement of the amount of pensions paid. This statement is not subjected to any other examination at the Admiralty than by a comparison with the amount provided in the Estimates. In the event of any difference, an explanation is required from the War Department.

Audit by Exchequer and Audit Department.

The officer from the Exchequer and Audit Office subjects payments under this class made by the Paymaster General to an examination similar to that applied to payments under the second class; but this officer, equally with the Accountant General, accepts the statement from the War Department as to the correctness of the amount paid by that department.

All the payments made under these three classes during each financial year are brought to account at the termination of six months after the expiration of the year, when the ledger is closed.

It will appear from the foregoing statements that all expenditure on account of naval services, excepting the payment of pensions to seamen and marines, as shown above, is examined and checked, finally, either in the Accountant General's Department, or at the dockyards and marine divisions by officers responsible to the Accountant General. In the case of payments made direct by the Accountant General under the first class, the examination before payment operates as a check upon expenditure authorised by the executive officers of the Admiralty. In the case of payments made by accountant officers under the second class, the examination is subsequent to payment. In both cases the vouchers for the payments are examined and finally audited before being posted in the ledger.

The examination by the officer of the Exchequer and Audit Office is confined, practically, to seeing that payments are duly authorised and brought to account under the proper subheads of the votes granted by Parliament for the naval service.

It appears, therefore, that the examination conducted by the Accountant General's Department in respect of a large portion of the payments made directly by the Admiralty, is in the nature of a check or examination, previous to payment. In respect, however, of payments made by accountant officers, ashore and afloat, as agents of the Admiralty, the examination bears distinctly the character of an audit. In both cases the departmental examination is made before the payments are posted finally in the ledger, the examination by the officers of the Audit Department being confined, as already stated, to seeing that payments are brought to account under the proper heads of the Navy Estimates.

II. AUDIT.

In regard to audit, we not only directed our attention to the departmental examination of naval expenditure, but also to the extrinsic audit which is exercised on the part of the Comptroller and Auditor General.

Starting with the facts that large sums are voted annually for the service of the Navy, and that the Admiralty is empowered to spend these funds in a variety of ways, and through a large number of agents in every part of the world, we have endeavoured to determine whether, from a business point of view, there is a sufficient check or control to satisfy the Board that it is not exceeding its powers in regard to the disposal of these funds, and that its prescribed regulations are not departed from by its agents, and whether this examination or departmental audit is in any way redundant or involves a duplication of work.

We are prepared to state that the system of examination and audit, as conducted at the Admiralty and the outports, is, upon the whole, necessary and satisfactory, although certain modifications may, we think, with advantage be applied.

As the result of a very minute examination into the working of the present system, both centrally and locally, we are unwilling to suggest any relaxation of the existing system of departmental examination and audit conducted in the Accountant General's Department; nor do we think that, even if Parliament should hereafter consider it desirable to insist upon a more detailed audit than that which is now carried out by the Exchequer and Audit Department, it would be expedient, so long as the Admiralty is held responsible for the accuracy of the naval account of receipt and expenditure presented to Parliament, that it should dispense with the existing examination and audit of payments by the Accountant General's Department. This examination is necessary in order to satisfy the Board either that payments about to be made are properly authorised, or that the payments already made by its agents at a distance have been made rightly for good consideration, and in accordance with the regulations.

We satisfied ourselves that, either locally or centrally, an examination sufficiently independent to be satisfactory is applied to every class of payment made on account of the naval service; but our attention was called especially to the system of "local audit" applied to the payment of wages at the naval establishments ashore. We found that these payments were not subjected to any detailed examination at the central office, and accordingly visited Chatham Dockyard, Devonport Dockyard, the Marine Barracks, and victualling establishments at Plymouth, with the view of ascertaining how far this system of "local audit" could be relied upon. We came to the conclusion that there was a sufficiently independent check at these establishments to prevent any unreal or unauthorised

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payment being charged in the accounts, and that, having regard to the nature of the expenditure, the local check, which was concurrent with the payment, was infinitely preferable to a postponed check at the central office.

As regards the payments made by accountants ashore and afloat, the system of examination applied in the cash account branches is satisfactory. But we think it desirable that the rule should be laid down of imposing upon such accountants and upon commanding officers the responsibility of making all classes of payments *authorised by the regulations*, and of leaving to the central office the simple function of audit.

The least satisfactory part of the examination of cash transactions relates to the non-effective services, such as half-pay pensions, &c. There is no independent check that the rates of half-pay and pensions are awarded in conformity with the regulations. We are not satisfied that the Accountant General has that proper control over the payment and award of pensions, &c., which he possesses over the effective branches of naval expenditure.

Conclusion.

The result of our inquiry is to satisfy us that the system of accounts and of departmental audit is established upon sound principles, and that it is necessary for departmental purposes, in order to secure to the Board a proper control over its expenditure, as well as the means of ascertaining that the payments made or authorised by its officers are within its authority, and do not transgress the formal regulations laid down either by law or by the Board itself.

I trust that from these details it will be seen how small in extent are the duties entrusted to the Civil Service Departments, in comparison with those conducted by the Admiralty, embracing, as they do, dockyards, victualling establishments, and hospitals, both at home and abroad, squadrons and single stationed ships in all parts of the world, marine divisions at home, and detachments afloat or on foreign service.

I have quoted at some length from the publicly expressed opinions of gentlemen whose names have been for many years associated with committees who have from time to time closely investigated the subject now under consideration, and who may be considered to be pre-eminent amongst the higher officers of the Civil Service in ability to form sound opinions thereon. In those opinions I desire to express my entire concurrence.

Sir William Anderson has pointed out that for 90 years the audit of Naval Accounts in detail by the Exchequer and Audit Office has ceased. For over 40 years of that period I have been closely connected with the system of accounting as conducted at the Admiralty, and for many years prepared the Appropriation Accounts for Parliament. During all that period, I am personally unaware of a single circumstance of any note or importance which would, if brought under the notice of the Exchequer and Audit Office, had that department examined the accounts in detail, have modified or altered the Appropriation Accounts as actually laid before Parliament.

Under these circumstances, the question is naturally suggested what advantage to the public service is thought to be derivable from a repetition of the same labour of examining the Naval Accounts, which has already been undertaken by a department, which, under any circumstances, it appears to be generally acknowledged, must perform that labour in the first instance.

No reply, it appears to me, that can be given will do otherwise than convey the impression that Parliament is supposed to mistrust the action of administrative departments, and will accept no evidence of the correctness of their accounts, except that furnished direct by the Exchequer and Audit Department, after an examination in detail of all payments.

That this, however, can be the case, I am unwilling to believe, and the more so because of the utter impossibility of any other department than that administering votes for expenditure so varied as that of the Navy, being able to be placed in a position to account so fully for, or examine so minutely into such expenditure; and also because the Reports of the Comptroller and Auditor General on Naval Appropriation Accounts from the year 1832 to the present time, do not convey any intimation that such a course is called for by any circumstances of a nature calculated to invalidate the character for correctness which the Naval Accounts have long sustained.

When it is remembered also that the Naval Department is entrusted with the expenditure annually, of no less than 9,000,000*l.* or 10,000,000*l.*, much of which is appropriated in accordance with the policy pursued by the Cabinet of the period in respect to ships, armaments, &c., much on stores the purchase of which may be influenced by the state of the markets, reserve of stock in hand, or by probable requirements associated with policy, all of which conditions it would be beyond the power and certainly not within the province of any audit office to control, it surely would appear that to re-audit mere details of accounts by an elaborate and expensive process, would be to burden the public with a heavy expenditure from which no possibly useful result could ever be expected to arise.

If, on the assumption that what is often termed a moral check is advantageous, a selection were to be made of a certain per-centage of the payments for audit in detail by the Exchequer and Audit Department, I cannot refrain from expressing the opinion that such a mode of check, though doubtless useful in the case of receipts of stores in bulk which

which must be tested in sample or not at all, would, if applied in the case of the expenditure of a public department, be more calculated to cast ridicule on the system of Parliamentary audit than to be any additional guarantee of the correctness of the accounts as at present rendered.

Those accounts, as already pointed out, are rendered in a form which clearly exhibits to Parliament the appropriation of the sums granted, not only in amount under the several Sub-heads of Votes, but, by means of the expense accounts, as to the actual outcome of the same in the shape of ships and services, to the expenditure on which, as a logical sequence, the detailed audit of the Exchequer and Audit Department should be applied, if applied at all, as well as to the store transactions at the various yards, which equally with cash payments affect the expenditure as contrasted with the Votes of Parliament.

It would appear to me to be about as desirable to re-audit the payments of dockyard wages to individual workmen at the Admiralty, notwithstanding they have been already audited by the accountants at the yards.

In conclusion, I would remark that the only extension of the audit of Naval Accounts, as carried out by the Exchequer and Audit Department, which appears to me to be desirable, is that which refers to the authority of the Treasury being obtained in all cases of appointment to new offices of establishments, or of increases of salary, when such authority is requisite. Were that examination applied, I consider that the audit of Navy Accounts by the Exchequer and Audit Department, as an appropriation audit and an audit of authority, would, in conjunction with the departmental audit now existing, afford a guarantee of the correctness of the accounts as laid before Parliament, better and more sound in principle and character than the examination into the Civil Service Accounts now made by the Audit Office, assisted in a much less appreciable degree by the action of the Civil Administrative Departments.

(signed) *H. W. R. Walker*,
Accountant General of the Navy.

The Right Hon. George Ward Hunt, M.P.,
First Lord of the Admiralty,
&c. &c. &c.

The Secretary to the Admiralty to the Secretary to the Treasury.

Sir, 7 March 1876.

1. In reply to Mr. W. H. Smith's letter of 13th January last, requesting further explanation with regard to the excesses which have arisen on Vote No. 10, Sect. 1, of the Navy Estimates for 1874–75, and also on Sub-head F. of Vote No. 10, Sect. 2, and Sub-head Z. of Vote No. 14, I am directed by my Lords Commissioners of the Admiralty to state as follows:—

2. The deficit on Vote No. 1, Sect. 1, Naval Stores, &c., amounting to 203,223 *l.*, arose from the following causes:—

First. In consequence of the decision to purchase at one time in the year the whole annual supply of a large proportion of the many thousands of varieties of articles provided for under this Vote, the Estimates for 1874–75 had to be prepared in much more minute detail than formerly; this delayed their preparation so much that complete information had not been received from the dockyards at the time, when it became necessary for their Lordships to decide what amount Parliament should be asked to vote, and accordingly the Estimate furnished by the Superintendent of Stores could only be based on such information as was then obtainable, though incomplete.

On this information, however, the Board of Admiralty, under the late Administration, decided that a sum, less by about 100,000 *l.* than the professional Estimate, should be inserted for Vote No. 10, Sect. 1; and the Navy Estimates for the year 1874–75, as prepared under the directions of that Board, having been accepted by the present Board of Admiralty (under the circumstances explained by the First Lord to the House of Commons on 20th April 1874), this reduced Estimate was laid before Parliament.

Secondly. After the Navy Estimates had been brought forward, the number of men to be employed in the yards, and for whose work materials were provided in the Estimates, was increased by a Supplementary Vote for the wages of 786 additional men, in order to ensure greater progress on the work of shipbuilding and repairing. No provision under Vote No. 10, Sect. 1, however, for the materials to be expended by these men was applied for from Parliament, as it was at that time (7th May 1874) expected by the Purchase Department that a fall in the prices of some articles in the Store Vote, and advantageous contracts which the Admiralty had been able to make, would supply the means for purchasing the additional materials required.

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3. With respect to the reduction made from the original Estimate of the requirements under Vote No. 10, Sect. 1, Naval Stores, &c., my Lords had given directions previously to the presentation to Parliament of the Supplementary Estimate above alluded to, that if later in the year it should still be considered that the provision taken was insufficient, the fact should be specially brought under their notice.

4. In accordance with these directions, the Superintendent of Stores brought under their Lordships' notice, about the middle of August 1874, that although a considerable saving had been effected in the purchase of stores of most descriptions, the fall in price of iron which had been anticipated had not taken place so soon, or to the extent that had been expected; and that owing to this latter circumstance, and to the large size of the iron plates which had been required for ships building, the plates instead of costing less, had cost more than expected. Thus the saving which it had been hoped would be available to purchase materials required for the employment for the additional 786 men whose wages only were provided for in the Supplementary Estimate, was only realised to an inconsiderable extent.

5. Under these circumstances, and in view at that date of a possible deficit of about 148,000 *l.* on Vote No. 10, Sect. 1, if steps were still taken to keep up the reserve stock of stores to the extent which had been ordered (exclusive of any deficit which might arise on Sub-head C., "Purchases of Naval Stores Abroad," or from a falling off in the credits to Vote No. 10 for stores issued on repayment), my Lords took steps for deferring until the ensuing year some portion of the expenditure which would be required to provide for the reserve stock, and so reducing the anticipated deficit upon this Vote.

6. As a result of these arrangements, the Superintendent of Stores, towards the end of November 1874, informed my Lords that the orders which had been given would cause the deficit on Sub-heads A. to E. to be reduced to about 65,000 *l.* (exclusive of any falling off in the repayments above alluded to). To meet this deficit sufficient surpluses on other Votes, principally Votes 1 and 10, Sect. 2, were then expected.

7. On the 30th January 1875, from a Provisional Account of Naval Receipt and Expenditure, prepared jointly by the Accountant General's and other Departments of the Admiralty, a deficit of about 20,000 *l.* was expected over the aggregate of the Navy Grants, after taking into consideration an expected deficit of 129,000 *l.* at that date probable on Vote No. 10, Sect. 1, and in view of the large amount of expenditure then remaining to be ascertained and brought to account, and also to be actually defrayed, my Lords felt satisfied at this probable result.

8. On the 18th March 1875, however, my Lords were made aware by a further Provisional Account, prepared under similar conditions, that instead of this small deficit being probable, a considerably larger excess, viz., 140,500 *l.* over the aggregate of the Navy Grants, was likely to be increased, arising from the expected surpluses on some Votes having decreased to the extent of 24,000 *l.*, and expected deficits on others having increased to the extent of 17,600 *l.*, whilst the deficit on Vote No. 10, Sect. 1, had risen from 129,000 *l.* to 207,000 *l.*, owing chiefly to the repayments to the credit of that Vote on account of issues of stores to other departments of Government, &c., having fallen short of the amount abated from the sum otherwise required to be voted when the Estimate was framed by 55,500 *l.*, the stores not having been issued, though purchased for other than Naval Services; and by the purchases of coal abroad, principally owing to the movements of the fleet at the time of the difficulty at San José, and of Her Majesty's ships at Zanzibar, in connection with the suppression of the slave trade.

9. The deficit being thus expected only at the very close of the financial year, afforded no time for any possible restrictions of expenditure, and taking into consideration that even after the expiration of the financial year, the accounts of expenditure, amounting to some millions, remained to be examined, and finally posted in the Admiralty books, which in ordinary course could not possibly be done during last Session, my Lords were of opinion that until an excess Estimate could be prepared for presentation to Parliament with accuracy, and the details explanatory of the causes which led thereto could be afforded, it would be premature to lay such Estimate before Parliament.

10. From the foregoing it will be apparent that a very large portion of the deficit arising on Vote No. 10, Sect. 1, was incurred, whilst it was anticipated that there were funds available on other Votes sufficient to meet the same, and for the temporary appropriation of which, when the deficit on Vote No. 10, Sect. 1, had been definitely ascertained, Treasury sanction would have been applied for.

11. The causes, however, which led to so considerable a divergence between actual and estimated expenditure, and to the actual state of the case not having come under the attention of my Lords at an earlier date, had received the careful consideration of the Board of Admiralty, previously to the receipt of Mr. W. H. Smith's letter requesting information on this subject.

12. My Lords are well aware, and the fact will be equally known to their Lordships of the Treasury, that the expenditure of Her Majesty's Navy is defrayed under conditions which

which are not found associated with the conduct of any other department of the State, and that the large number of Services differing in character and extent, as well as in the locality in which they may be carried on, together with the uncertainty naturally attending the requirements of ships employed, both at home and abroad, make it a matter of peculiar difficulty to regulate, or even to accurately ascertain the same during the progress of each financial year.

13. My Lords, however, after investigation into the principle on which the Statement of Estimated Expenditure on account of the Navy have been of late years prepared, have arrived at the conclusion that from an absence of centralisation of the information requisite for forming a correct opinion as to the probable state of the Navy Votes at the end of each financial year, these statements have not been as a whole so reliable as they trust they will in future.

14. For the purpose of securing this result, my Lords have considered that in the Accountant General should be centred the responsibility of informing their Lordships from time to time of the expenditure actually incurred; and through that officer also they should be made periodically acquainted with the liabilities which have been incurred by other departments, together with the amount of further liabilities expected or proposed to be incurred.

15. In order that the Accountant General of the Navy should be afforded the means of carrying out their Lordships' views on this subject, which have not hitherto been at his disposal, my Lords were pleased to issue under date of 18th January 1876, an official memorandum (of which a copy is enclosed) detailing the course which they thereby directed should in future be followed, both with regard to the conduct of the Navy Estimates and the production of Accounts of Expenditure.

16. The Navy Estimates for the year 1876–77 have been prepared under the arrangements indicated by the terms of the memorandum alluded to, and steps are being taken to secure that the expenditure of that year shall be watched in accordance therewith; and my Lords confidently anticipate satisfactory results in the future commensurate with the endeavours which have been made to secure them.

17. With reference to the statement in the second paragraph of your letter of the 13th January, that "the total amount voted under this section has risen from 801,572 *l.* in "1869–70 to 1,175,159 *l.* in 1874–75, an increase of 373,587 *l*," I am commanded by my Lords to request that you will lay before the Lords Commissioners of Her Majesty's Treasury the accompanying printed memorandum, which has been prepared by Mr. C. McL. McHardy, the Superintendent of Stores, on this subject, and which fully explains the reasons why the Vote for Naval Stores must considerably exceed the amount which in the year referred to, viz., 1869–70, was considered sufficient.

18. With reference to the excesses on Sub-head F. of Vote No. 10, Section 2, "Salaries, "Pay, Subsistence, &c., of Officers, &c., superintending Ships building by Contract, and "other Works," and on Sub-head Z. of Vote No. 14, "Miscellaneous Payments," I am further to explain that that on Sub-head F. arose from the employment of the overseers and assistants for longer periods and to a greater extent than provided for; and on Sub-head Z., which provides for the Contingencies of the Naval Services, the causes of the excess have already been given in the Appropriation Account in so much detail that but little further remains to be stated, except that under both of the Sub-heads alluded to, the provision made in the Navy Estimates for 1876-77 has been increased; the amounts provided in previous years having proved insufficient to meet the requirements of the Service.

I am, &c.

The Secretary to the Treasury. (signed) *Algernon Egerton.*

Appendix, No. 3.

OFFICIAL MEMORANDUM.

Admiralty, 18 January 1876.

1. My Lords are by no means satisfied with the mode in which the Navy Estimates are now prepared, or with the information that is at the disposal of the Accountant General of the Navy, from time to time, as regards the progress of expenditure under each Vote.

2. It appears to my Lords that the Department of the Accountant General should be the focus for the financial arrangements of the year, and that not only the basis of the Annual Estimate for each head of service should be communicated to his Department, but that it should be kept so fully informed throughout the year, both as to payments made and liabilities incurred (so far as they have been ascertained), as to enable the Accountant General to give reliable statements to their Lordships as to the actual and prospective expenditure.

3. With this object, my Lords are pleased to direct that the following arrangements are to observed, and that in the future no deviation whatever therefrom is to be permitted, unless it shall have been previously brought under the notice and received the express sanction of the Board.

4. First, with reference to the preparation of the Navy Estimates.

My Lords propose that the Estimates, before being finally approved, shall be discussed at Board meetings, as was formerly the practice.

Each member of the Board should be furnished with the Estimate which more particularly concerns his department, at least two days before the meeting of the Board at which such Estimate is to be discussed.

Their Lordships will, as they may think it desirable, request the attendance in the board room of the heads of departments while the Votes for which they are concerned are being considered.

In order that the Accountant General shall become possessed of the requisite information as to their Lordships' views and intentions with respect to the basis and expenditure of each Vote of the Navy Estimates, the Accountant General, attended by such officer in his department as he shall from time to time obtain permission to bring with him, shall be present on the occasion of each Vote receiving the approval of their Lordships, for the purpose of obtaining which the detailed arrangements hereinafter mentioned are to be observed.

It is however to be understood, that it is not intended by these arrangements that any check shall be placed upon the individual action of the several departments in bringing under their Lordships' notice for decision any questions arising in the course of the preparation of those Votes which are under their control; but that the written concurrence of the Accountant General, directed in all cases to be obtained before each Vote is finally approved by their Lordships, shall act as a guarantee that the Accountant General is made aware of the basis of and other facts connected with each Vote; and is thereby held responsible for the accuracy of the provision made, according to the basis supplied to him. He will be thus enabled thereafter to exercise a real check in watching the expenditure, both as it occurs, and by means of the returns hereafter mentioned, at the time when it is proposed that it shall be incurred, and so fulfil to the utmost of his ability the intentions of their Lordships in placing this responsibility in his hands.

Vote.	In what Department prepared.	Course to be pursued for obtaining the Board's Approval.
1. Wages to Seamen, &c. -	Accountant General's Department, and Deputy Adjutant General's Department in connection with Marines.	To be submitted to the Board by the Accountant General, the Deputy Adjutant General having previously coucurred in that portion of the Estimate affecting the Marines.
2. Victuals for Seamen, &c.	Superintendent of Victualling.	To be submitted to the Board by the Superintendent of Victualling, the written concurrence of the Accountant General having been first obtained as to the necessary provision having been inserted, so far as he can offer an opinion from a financial point of view.
3. Admiralty Office - -	Accountant General -	To be submitted to the Board by the Accountant General.

Vote.	In what Department prepared.	Course to be pursued for obtaining the Board's Approval.
4. Coast Guard Service, Royal Naval Reserve, &c.	Accountant General's Department, and Admiral Superintendent of Naval Reserves.	To be submitted to the Board by the Accountant General, the Admiral Superintendent of Naval Reserves having previously concurred in that portion of the Estimate affecting his Department.
5. Scientific Branch - -	Accountant General's and Hydrographer.	To be submitted to the Board by the Accountant General, the Hydrographer and the President of the Naval College at Greenwich having previously concurred in that portion of the Estimate affecting their Departments.
6. Dockyards, at Home and Abroad.	Controller of the Navy and Accountant General's.	To be submitted in its entirety by the Accountant General, the Controller of the Navy having previously furnished that portion of the Vote prepared in his Department, as to the general financial correctness of which the Accountant General should concur in writing.
7. Victualling Yards, at Home and Abroad.	Accountant General's and Superintendent of Victualling.	To be submitted by the Accountant General, the Superintendent of Victualliug having previously furnished that portion of the Vote prepared in his Department, the Accountant General's written concurrence being afforded as to the financial correctness of that portion of the Vote.
8. Medical Establishments, at Home and Abroad.	Accountant General's and Director General of Medical Department.	To be submitted by Accountant General, the Director General of the Medical Department having previously furnished that portion of the Vote prepared in his Department, and the Accountant General's written concurrence being afforded as to the financial correctness of that part of the Vote.
9. Marine Divisions - -	Accountant General's Department, and Deputy Adjutant General.	To be submitted by Accountant General, the Deputy Adjutant General having previously concurred in that portion of the Vote affecting his Department.
10. Sec. 1, Naval Stores, &c. -	Controller of the Navy (Superintendent of Stores).	To be submitted by Controller of the Navy, the Accountant General having previously expressed in writing his concurrence as to the financial correctness of the Vote, so far as he is in a position to offer an opinion thereon.
10. Sec. 2, Steam Machinery: Ships {Building by Contract, &c.	Controller of the Navy -	To be submitted by the Controller of the Navy, after concurrence of Accountant General has been obtained, as above.
11. New Works, &c. - -	Director of Works -	To be submitted by Controller of the Navy and Director of Works, according to their respective portions, after having been concurred in by Accountant General, as in the case of other Votes.
12. Medicines, &c. - -	Director General of Medical Department, and Accountant General's.	To be submitted by Director General of the Medical Department, after having been concurred in by Accountant General, as in the case of other Votes. The portion of the Vote prepared by Accountant General's Department to be approved by Permanent Secretary of the Admiralty before being submitted for Board's approval.
13. Martial Law - - -	Accountant General's -	To be submitted by Accountant General.
14. Miscellaneous Services -	Accountant General's -	To be submitted by Accountant General.
15. Half Pay, Retired Pay, &c.		
16. Sec. 1, Military Pensions -		
16. Sec. 2, Civil Pensions -		
17. Army Department (Conveyance of Troops).	Director of Transports -	To be submitted by Director of Transports, the Accountant General's concurrence being previously obtained, as above.

5. Secondly, with respect to the check to be kept on the progress of liabilities and consequent expenditure.

Appendix, No. 3.

Before the end of three weeks after the conclusion of the previous financial year, the Accountant General's Department is to furnish to the —

Superintendent of Victualling,
Controller of the Navy,
Director of Works,
Director General of the Medical Department, and
Director of Transports,

separate statements as to the liabilities incurred in the previous year, on account of which payment was expected to have been made, but which, from various causes, could not be made within the previous year, and therefore becomes a charge on the Votes of the succeeding year.

6. The statements are to be classified under the Sub-heads of each Vote, and to be given in sufficient detail to enable them to be identified by the departments concerned as liabilities previously included by them in their monthly statement of orders given and liabilities incurred, hereafter alluded to. In the event of later information being obtained as to arrear charges for the previous year coming in course of payment in the year succeeding, the necessary information is to be sent to the departments as soon as practicable for correction of the statement previously given.

7. The departments before mentioned are to furnish to the Accountant General's Department, within the first week of every month, statements of the amount of orders forwarded to the Director of Contracts in the previous month for obtaining stores, &c., classified under Sub-heads of Votes.

8. These statements will not be required to be given in any detail, but in the case of any appreciable deviation from the amount provided in the Estimate under the *Sub-head* of the Vote (not the items), attention is to be called to the fact by a brief explanation of the circumstances of the case.

9. In preparing these statements care is to be taken that they contain only the orders which are known to have been sent to the Director of Contracts in sufficient time to have been received by that department within the month to which the statement relates.

10. Each of these monthly statements is to have brought forward thereon the aggregate of the amounts included in the previous statements under each Sub-head of the Vote concerned, the amount of the arrear liabilities of the previous year under each Sub-head (furnished by the Accountant General's Department) being repeated at the commencement of each statement.

11. They are also repeatedly to exhibit under Sub-heads the amount of orders given to the Director of Contracts within the previous year, but not executed by him to the extent of incurring a positive liability; this information being furnished to the several departments by the Accountant General's Department by means of the statements next alluded to, forwarded by the Director of Contracts to the Accountant General.

12. The Director of Contracts is, within the first week of each month, to furnish to the Accountant General's Department statements showing, on the one side, under the Sub-heads of the Vote concerned, the amount of orders received from the department administering the Vote, and, on the other, the amount (also under Sub-heads) to which he has incurred positive liability by having ordered the stores, &c., from contractors and others to be delivered and paid for within the year.

13. These statements also will not be required to be given in any detail, but a marked deviation from the price to be paid for certain articles as compared with the prices known to have been expected to become payable for the same, is to be brought under notice if appreciable in amount, whether leading to an excess or surplus on the Sub-head of the Vote.

14. At the commencement of each finaancial year, care is to be taken to ascertain that the total of the orders issued by each of the several departments approximates sufficiently to the amount stated by the Director of Contracts to have been received by him, as to guarantee the substantial accuracy of the balance of orders given by the departments in the previous year, unexecuted in that year, and so forming a liability in the subsequent year.

15. The Accountant General, being supplied with this information, will tabulate the same in such form as will readily enable the state of every Sub-head of the Votes affected by these statements to be ascertained as soon after their receipt in his department as possible; and by having been made aware of the relative proportion of expenditure which would be expected to occur through the medium of the Director of Contracts when the Estimates were framed, will be able to draw reliable conclusions as to the probable state of the expenditure as compared with the Votes at the conclusion of the financial year, after taking into consideration the expenditure which may be incurred through imprest accountants, whose cash accounts are rendered to his department.

16. On the occasion of the funds disposable under any Sub-head of a Vote giving an indication of probably failing if the orders for stores are continued to be given at the same rate

rate as theretofore, it will be the duty of the Accountant General to advise the department concerned to that effect, or, if needful, to bring the same under the attention of their Lordships.

17. For the purpose of bringing the results obtained under this system to the immediate notice of their Lordships, the Provisional Accounts of Naval Receipt and Expenditure are in future to be laid before the Board on the 14th November, 14th January, and 6th March in each financial year, and with respect to the Sub-heads of Votes affected by the system of Monthly Statements to be rendered by the several spending departments and Director of Contracts, are to exhibit in a seperate statement the amount of expenditure expected to be incurred at Home through the intervention of the Director of Contracts when the Estimates were framed, as compared with the expenditure already brought to account, the liabilities incurred but not yet defrayed, the amount of orders not yet acted on, and the amount of further orders for supplies required within the year expected to be given by the departments charged with the administration of the Votes.

18. My Lords are of opinion that, by the adoption of a recognised system, such as the foregoing, it will be possible to watch and regulate the expenditure of the Navy to a greater extent than has hitherto appeared practicable, and so prevent excesses arising on the Navy Votes; and they are therefore pleased to direct that the above regulations are to be brought into immediate operation in the conduct of the Navy Estimates for the forthcoming year, and the several departments are to place themselves in communication with the Accountant General, with the view of arranging the minor details necessary for carrying out the same.

By Command of their Lordships,

Vernon Lushington.

Appendix, No. 4.

PAPERS handed in by Mr. *Walker*.

STATEMENT showing the Amounts of the ORDINARY GRANTS for NAVAL SERVICE, each Financial Year, the Balance of Votes unappropriated or Excess of Expenditure beyond the Total of the Ordinary Grants and Expenditure, for the *China*, *Abyssinian*, and *Ashantee* Wars, with Details as to Votes.

DESCRIPTION.	1862–63.	1863–64.	1864–65.	1865–66.	1866–67.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Original Ordinary Grants	11,794,305 – –	10,736,032 – –	10,427,610 – –	10,392,224 – –	10,388,153 – –
Supplementary Estimates Voted	– – –	– – –	(1) 61,041 – – (2) 220,000 – –	– – –	(3) 12,656 – – (4) 5,926 – – (5) 10,000 – – (6) 18,000 – –
TOTAL Ordinary Grants £.	11,794,305 – –	10,736,032 – –	10,708,651 – –	10,392,224 – –	10,434,735 – –
Appropriated out of Votes of Credit	405,879 9 10 (China War.)	206,496 11 4 (China War.)	– – –	– – –	– – –
TOTAL of Grants, &c. £.	12,200,184 9 10	10,942,528 11 4	10,708,651 – –	10,392,224 – –	10,434,735 – –
Gross Expenditure	11,829,786 17 7	10,746,177 12 8	10,670,017 4 2	10,209,840 9 9	10,525,354 13 9
Balance of Votes unappropriated	370,397 12 3	196,350 18 8	38,633 15 10	182,383 10 3	– – –
Excess of Expenditure beyond the Total of the Ordinary Grants, and Amount appropriated out of Votes of Credit	– – –	– – –	– – –	– – –	90,619 13 9
	£.	£.	£.	£.	£.
Results (exclusive of Expenditure, for the China, Abyssinian, and Ashantee Wars, defrayable out of Surpluses on Ordinary Navy Grants and Votes of Credit — SURPLUS	370,398	196,351	38,634	182,384	– – –
Results (exclusive of Expenditure, for the China, Abyssinian, and Ashantee Wars, defrayable out of Surpluses on Ordinary Navy Grants and Votes of Credit — DEFICIT	– – –	– – –	– – –	– – –	90,619 – –

Parliamentary Papers for Supplementary Estimates:

(1) 13 May 1864, No. 294.
(2) 7 June 1864, No. 374.
(3) 9 March 1866, No. 101.
(4) 17 July 1866, No. 414.
(5) 17 July 1866, No. 415.
(6) 17 July 1866, No. 416.
(7) 22 July 1867, No. 465.
(8) 25 July 1870, No. 384.
(9) 4 August 1871, No. 412.

Note.—The Grants and Expenditure shown for the year 1865–66 are exclusive of Greenwich Hospital, which Service formed Vote 18 of the Navy in excess of the printed Account presented to Parliament, owing to the corrections made under the decision of the Committee of Public Accounts, and Subsidiary Statements are annexed, showing the results of the different Votes.

Admiralty, 18 March 1876.

Appendix, No. 4.

PAPERS handed in by Mr. *Walker*.

rom 1862-63 to 1874-75, both inclusive; the Amounts appropriated out of Votes of Credit; the Gross Expenditure; Amount appropriated out of Votes of Credit; and, finally, the Amounts of the Surpluses and Deficits, *exclusive* of

1867–68.	1868–69.	1869–70.	1870–71.	1871–72.	1872–73.	1873–74.	1874–75.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
9,926,253 – –	11,157,290 – –	9,996,641 – –	9,250,530 – –	9,756,356 – –	9,508,149 – –	9,872,725 – –	10,179,485 – –
[7]) 50,000 – –	- - -	- - -	([8]) 120,000 – –	([9]) 33,600 – –	([11]) 18,000 – –	([13]) 27,000 – –	([15]) 150,000 – –
				([10])102,000 – –	([12]) 6,000 – –	([14]) 105,000 – –	([16]) 98,620 – –
							([17]) 12,000 – –
9,976,253 – –	11,157,290 – –	9,996,641 – –	9,370,530 – –	9,891,956 – –	9,532,149 – –	10,004,725 – –	10,440,105 – –
1,425,364 11 7 (Abyssinian Expedition.)	2,912,094 6 10 (Abyssinia.)	106,000 4 6 (Abyssinia.)	170,668 11 10 (Abyssinia.)	- - -	33,291 7 11 (Abyssinia.)	304,487 – 10 (Ashantee Expedition.)	97,904 13 11 (Ashantee.)
			550,000 – – (War in Europe).			9,239 13 5 (Abyssinia.)	
2,401,617 11 7	14,069,384 6 10	10,102,641 4 6	10,091,198 11 10	9,891,956 – –	9,565,440 7 11	10,318,451 14 3	10,538,009 13 11
2,768,162 17 1	14,069,384 6 10	10,102,641 4 6	10,087,413 11 4	9,875,981 9 9	9,565,440 7 11	10,558,750 15 8	10,776,277 8 5
- - -	- - -	- - -	3,785 – 6 (Balance of amount issued from Vote of Credit for War in Europe surrendered.)	15,974 10 3	—	—	—
366,545 5 6	- - -	- - -	- - -	- - -	- - -	240,299 1 5	238,267 14 6
£.	£.	£.	£.	£.	£.	£.	£.
- - -	95,587	215,140	3,785	65,498	207	—	—
366,545	- - -	- - -	- - -	- - -	- - -	240,299	238,268

Parliamentary Papers for Supplementary Estimates:

([10]) 23 February 1872, No. 59.
([11]) 1 August 1872, No. 353.
([12]) 11 February 1873, No. 10.
([13]) 24 July 1873, No. 340.
([14]) 19 March 1874, No. 21.
([15]) 5 May 1874, No. 145.
([16]) 15 February 1875, No. 44.
([17]) 18 February 1875, No. 58.

timates for that year; and in the case of the year 1872–73, the Expenditure and Appropriation out of the Vote of Credit, shown above, are each 762*l.* 13*s.* 2*d.* easury Letter, 19th March 1875.

H. Walker,
Accountant General of the Navy.

YEAR 1862-63.

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1863.

Vote Number.	SERVICE.	Ordinary Grants.	A. Total Expenditure.	Amount included in Column A., on account of Expenditure for China War.	B. Net Expenditure.	Surplus (As compared with Net Expenditure, Column B.)	Deficit (As compared with Net Expenditure, Column B.)	Vote Number.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	3,078,121 – –	3,193,842 10 9	–	3,193,842 10 9	–	115,721 10 9	1
2	Victuals and Clothing for ditto	1,362,093 – –	1,078,740 8 10	–	1,078,740 8 10	283,352 11 2	–	2
3	Admiralty Office	170,832 – –	168,038 1 6	–	168,038 1 6	2,793 18 6	–	3
4	Coast Guard Service, Royal Naval Reserve, &c.	297,602 – –	270,077 8 11	–	270,077 8 11	27,524 11 1	–	4
5	Scientific Branch	68,045 – –	74,269 17 7	–	74,269 17 7	–	6,224 17 7	5
6	Her Majesty's Establishments at Home	176,624 – –	174,817 15 2	–	174,817 15 2	1,806 4 10	–	6
7	Her Majesty's Establishments Abroad	33,610 – –	35,165 15 7	–	35,165 15 7	–	1,555 15 7	7
8	Wages to Artificers, &c., Her Majesty's Establishments at Home.	1,147,678 – –	1,133,663 16 –	–	1,133,663 16 –	14,014 4 –	–	8
9	Wages to Artificers, &c., Her Majesty's Establishments Abroad.	66,801 – –	70,513 17 1	–	70,513 17 1	–	3,712 17 1	9
10 Sect. I.	Naval Stores	1,744,184 – –	1,946,526 8 9	–	1,946,526 8 9	–	202,342 8 9	10 Sect. I.
10 Sect. II.	Steam Machinery and Ships built by Contract	1,453,561 – –	987,878 14 8	–	987,878 14 8	465,682 5 4	–	10 Sect. II.
11	New Works, &c.	464,170 – –	421,413 10 6	–	421,413 10 6	42,756 9 6	–	11
12	Medicines and Medical Stores	66,000 – –	66,684 19 4	–	66,684 19 4	–	684 19 4	12
13	Miscellaneous Services	98,708 – –	107,896 2 2	–	107,896 2 2	–	9,188 2 2	13
	NAVY NON-EFFECTIVE SERVICES:							
14	Half Pay, &c.	702,308 – –	694,912 – 8	–	694,912 – 8	7,395 19 4	–	14
15	Military Pensions and Allowances	481,036 – –	468,884 4 5	–	468,884 4 5	12,151 15 7	–	15
16	Civil Pensions and Allowances	194,282 – –	181,659 19 4	–	181,659 19 4	12,622 – 8	–	16
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:							
17	Army Department (Conveyance of Troops)	188,650 – –	754,633 3 5	405,879 9 10	348,753 13 7	–	160,103 13 7	17
	Amount written off as Irrecoverable	– – –	168 2 11	– –	168 2 11	–	168 2 11	Balances Irrecoverable.
	£.	11,794,305 – –	11,829,786 17 7	405,879 9 10	11,423,907 7 9	870,100 – –	499,702 7 9	
		11,423,907 7 9				499,702 7 9		
	NET SURPLUS £.	370,397 12 3			£.	370,397 12 3		

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1864.

Vote Number.	SERVICE.	Ordinary Grants.	A. Total Expenditure.	Amount included in Column A., on account of Expenditure for China War.	B. Net Expenditure.	Surplus As compared with Net Expenditure, Column B.	Deficit As compared with Net Expenditure, Column B.	Vote Number.
	NAVY EFFECTIVE SERVICES.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines - - -	2,921,951 – –	2,803,438 5 8	- -	2,803,438 5 8	118,512 14 4	- -	1
2	Victuals and Clothing for ditto - - -	1,416,986 – –	1,168,607 15 –	- -	1,168,607 15 –	248,378 5 –	- -	2
3	Admiralty Office - - - - - - -	165,322 – –	166,881 2 7	- -	166,881 2 7	- -	1,559 2 7	3
4	Coast Guard Service, Royal Naval Reserve, &c.	299,695 – –	274,612 19 2	- -	274,612 19 2	25,082 – 10	- -	4
5	Scientific Branch - - - - - - -	71,961 – –	69,149 9 8	- -	69,149 9 8	2,811 10 4	- -	5
6	Her Majesty's Establishments at Home - -	183,316 – –	185,821 11 11	- -	185,821 11 11	- -	2,505 11 11	6
7	Her Majesty's Establishments Abroad - -	36,370 – –	37,387 17 11	- -	37,387 17 11	- -	1,017 17 11	7
8	Wages to Artificers, &c., Her Majesty's Establishments at Home.	1,112,878 – –	1,162,152 6 4	- -	1,162,152 6 4	- -	49,274 6 4	8
9	Wages to Artificers, &c., Her Majesty's Establishments Abroad.	69,957 – –	71,246 14 11	- -	71,246 14 11	- -	1,289 14 11	9
10 Sect. I.	Naval Stores - - - - - - - -	1,334,051 – –	1,524,157 17 4	- -	1,524,157 17 4	- -	190,106 17 4	10 Sect. I.
10 Sect. II.	Steam Machinery and Ships built by Contract -	857,349 – –	819,153 4 6	- -	819,153 4 6	38,195 15 6	- -	10 Sect. II.
11	New Works, &c. - - - - - - -	433,298 – –	417,383 17 6	- -	417,383 17 6	15,914 2 6	- -	11
12	Medicines and Medical Stores - - - - -	66,000 – –	66,071 10 8	- -	66,071 10 8	- -	71 10 8	12
13	Miscellaneous Services - - - - -	99,370 – –	126,653 15 6	- -	126,653 15 6	- -	27,283 15 6	13
	NAVY NON-EFFECTIVE SERVICES:							
14	Half Pay, &c. - - - - - - -	719,341 – –	693,894 – 10	- -	693,894 – 10	25,446 19 2	- -	14
15	Military Pensions and Allowances - - -	483,105 – –	476,454 – 5	- -	476,454 – 5	6,650 19 7	- -	15
16	Civil Pensions and Allowances - - -	194,932 – –	181,564 4 11	- -	181,564 4 11	13,367 15 1	- -	16
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:							
17	Army Department (Conveyance of Troops) -	270,150 – –	501,104 10 8	206,496 11 4	294,607 19 4	- -	24,457 19 4	17
	Amount written off as Irrecoverable - -	- - -	442 7 2	- -	442 7 2	- -	442 7 2	Balances irrecoverable.
	£.	10,736,032 – –	10,746,177 12 8	206,496 11 4	10,539,681 1 4	494,360 2 4	298,009 3 8	
		10,539,681 1 4				298,009 3 8		
	NET SURPLUS - - - £.	196,350 18 8			£.	196,350 18 8		

Year 1864–65.

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for Naval Services, in the Year ended 31st March 1865.

Vote Number.	Service.	Ordinary Grants (including Supplementary Estimates). £. s. d.	Expenditure. £. s. d.	Surplus. £. s. d.	Deficit. £. s. d.	Vote Number.
	Navy Effective Services:					
1	Wages to Seamen and Marines	2,874,647 – –	2,984,980 13 8	– – –	55,067 13 8	1
	Supplementary Estimate	55,266 – –				
2	Victuals and Clothing for ditto	1,304,119 – –	1,174,680 16 4	129,438 3 8	– – –	2
3	Admiralty Office	168,605 – –	169,562 1 4	– – –	957 1 4	3
4	Coast Guard Service, Royal Naval Reserve, &c.	300,718 – –	269,688 12 1	31,029 7 11	– – –	4
5	Scientific Branch	71,276 – –	66,523 12 3	4,752 7 9	– – –	5
6	Her Majesty's Establishments at Home	192,574 – –	191,552 19 11	1,021 – 1	– – –	6
7	Her Majesty's Establishments Abroad	37,666 – –	37,064 18 5	601 1 7	– – –	7
8	Wages to Artificers, &c., Her Majesty's Establishments at Home	1,275,316 – –	1,267,630 9 7	7,685 10 5	– – –	8
9	Ditto – – – Her Majesty's Establishments Abroad	69,205 – –	73,613 5 1	– – –	4,408 5 1	9
10 Sect. I.	Naval Stores	1,164,100 – –	1,216,559 1 2	– – –	52,459 1 2	10 Sect. I.
10 Sect. II.	Steam Machinery, and Ships built by Contract	662,212 – –	801,956 11 2	80,255 8 10	– – –	10 Sect. II.
	Supplementary Estimate	220,000 – –				
11	New Works, &c.	444,298 – –	431,566 4 6	12,731 15 6	– – –	11
12	Medicines and Medical Stores	64,350 – –	66,178 9 5	– – –	1,828 9 5	12
13	Miscellaneous Services	102,320 – –	147,785 7 8	– – –	45,465 7 8	13
	Navy Non-Effective Services:					
14	Half Pay, &c.	697,790 – –	676,603 13 7	26,961 6 5	– – –	14
	Supplementary Estimate	5,775 – –				
15	Military Pensions and Allowances	490,201 – –	484,863 12 8	5,337 7 4	– – –	15
16	Civil Pensions and Allowances	193,983 – –	188,757 18 7	5,225 1 5	– – –	16
	For the Service of other Departments of Government:					
17	Army Department (Conveyance of Troops)	314,230 – –	416,572 6 5	– – –	102,342 6 5	17
	Amount written off as Irrecoverable	– – –	3,876 10 4	– – –	3,876 10 4	Balances irrecoverable.
	£.	10,708,651 – –	10,670,017 4 2	305,033 10 11	266,404 15 1	
		10,670,017 4 2		266,404 15 1		
	Net Surplus £.	38,633 15 10	£.	38,633 15 10		

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1866.

Vote Number.	SERVICE.	Ordinary Grants. £. s. d.	Expenditure. £. s. d.	Surplus. £. s. d.	Deficit. £. s. d.	Vote Number.
	NAVY EFFECTIVE SERVICES:					
1	Wages to Seamen and Marines	2,945,006 – –	2,941,489 3 3	3,516 16 9	– – –	1
2	Victuals and Clothing for ditto	1,325,694 – –	1,248,579 17 9	77,114 2 3	– – –	2
3	Admiralty Office	175,957 – –	175,626 14 8	330 5 4	– – –	3
4	Coast Guard Service, Royal Naval Reserve, &c.	284,395 – –	259,262 1 9	25,132 18 3	– – –	4
5	Scientific Branch	70,042 – –	58,537 2 8	11,504 17 4	– – –	5
6	Her Majesty's Establishments at Home	192,415 – –	187,431 14 11	4,983 5 1	– – –	6
7	Her Majesty's Establishments Abroad	37,332 – –	38,040 19 4	– – –	708 19 4	7
8	Wages to Artificers, &c., Her Majesty's Establishments at Home	1,158,797 – –	1,188,926 16 4	– – –	30,129 16 4	8
9	Ditto – – – Her Majesty's Establishments Abroad	72,585 – –	70,264 11 4	2,320 8 8	– – –	9
10 Sect. I.	Naval Stores	1,134,572 – –	1,126,184 19 3	8,387 – 9	– – –	10 Sect. I.
10 Sect. II.	Steam Machinery and Ships built by Contract	564,700 – –	400,819 4 3	163,880 15 9	– – –	10 Sect. II.
11	New Works, &c.	527,985 – –	582,613 8 8	– – –	54,628 8 8	11
12	Medicines and Medical Stores	64,800 – –	79,127 10 6	– – –	14,327 10 6	12
13	Miscellaneous Services	103,925 – –	159,343 3 10	– – –	55,418 3 10	13
	NAVY NON-EFFECTIVE SERVICES:					
14	Half Pay, &c.	698,195 – –	685,888 3 7	12,306 16 5	– – –	14
15	Military Pensions and Allowances	507,211 – –	501,841 9 4	5,369 10 8	– – –	15
16	Civil Pensions and Allowances	208,033 – –	199,893 4 10	8,139 15 2	– – –	16
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:					
17	Army Department (Conveyance of Troops)	320,580 – –	305,097 18 6	15,482 1 6	– – –	17
	Amount written off as Irrecoverable	– – –	872 5 –	– – –	872 5 –	Balances irrecoverable.
	£.	10,392,224 – –	10,209,840 9 9	338,468 13 11	156,085 3 8	
		10,209,840 9 9		156,085 3 8		
	NET SURPLUS £.	182,383 10 3	£.	182,383 10 3		

Year 1866-67.

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for Naval Services, in the Year ended 31st March 1867.

Vote Number.	SERVICE.	Ordinary Grants (including Supplementary Estimates).	Expenditure.	Surplus.	Deficit.	Vote Number.
	Navy Effective Services:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	2,862,704 – –	2,851,378 1 1	15,180 18 11	– – –	1
	Supplementary Estimate	3,855 – –				
2	Victuals and Clothing for ditto	1,235,188 – –	1,215,973 15 2	19,214 4 10	– – –	2
3	Admiralty Office	173,655 – –	173,134 10 11	520 9 1	– – –	3
4	Coast Guard Service, Royal Naval Reserve, &c.	274,119 – –	244,030 – 10	30,088 19 2	– – –	4
5	Scientific Branch	63,958 – –	58,585 3 10	5,372 16 2	– – –	5
6	Dockyards and Naval Yards at Home and Abroad	1,368,971 – –	1,387,768 6 9	– – –	10,797 6 9	6
	Supplementary Estimate	8,000 – –				
* 7	Victualling Yards, &c., at Home and Abroad	85,624 – –	84,367 – 3	1,256 19 9	– – –	7
* 8	Medical Establishments at Home and Abroad	57,368 – –	58,438 11 5	850 8 7	– – –	8
	Supplementary Estimate	1,921 – –				
9	Marine Divisions	15,550 – –	16,039 6 11	– – –	489 6 11	9
10 Sect. I.	Naval Stores	1,003,501 – –	1,072,418 1 10	– – –	68,917 1 10	10 Sect. I.
10 Sect. II.	Steam Machinery and Ships Built by Contract	318,000 – –	369,742 8 11	– – –	31,742 8 11	10 Sect. II.
	Supplementary Estimates	20,000 – –				
11	New Works, &c.	892,865 – –	768,904 5 10	123,960 14 2	– – –	11
12	Medicines and Medical Stores	75,664 – –	83,682 – 11	– – –	8,018 – 11	12
13	Martial Law and Law Charges	20,605 – –	18,157 19 2	2,447 – 10	– – –	13
14	Miscellaneous Services	105,800 – –	124,097 11 5	– – –	18,147 11 5	14
	Supplementary Estimate	150 – –				
	Navy Non-Effective Services:					
15	Half Pay, &c.	689,052 – –	689,247 16 5	12,460 3 7	– – –	15
	Supplementary Estimate	12,656 – –				
16 Sect. I.	Military Pensions and Allowances	528,904 – –	520,320 10 6	8,583 9 6	– – –	16 Sect. I.
16 Sect. II.	Civil Pensions and Allowances	213,837 – –	206,858 3 6	6,978 16 6	– – –	16 Sect. II.
	For the Service of other Departments of Government:					
17	Army Department (Conveyance of Troops)	402,788 – –	581,131 4 –	– – –	178,343 4 –	17
	Amount written off as irrecoverable	– – –	1,079 14 1	– – –	1,079 14 1	Balances irrecoverable.
	£.	10,434,735 – –	10,525,354 13 9	226,915 1 1	317,534 14 10	
			10,434,735 – –		226,915 1 1	
	Net Deficit £.		90,619 13 9	£.	90,619 13 9	

* An alteration this year in the arrangement of the Shore Establishment Votes, Nos. 6, 7, 8, and 9. A separate Vote for Martial Law (No. 13) taken for the first time this year.

YEAR 1867-68.

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1868.

Vote Number.	SERVICE.	Ordinary Grants (including Supplementary Estimates).	A. Total Expenditure.	Amount included in Column A., on account of Expenditure for Abyssinian Expedition.	B. Net Expenditure.	Surplus (As compared with Net Expenditure, Column B.)	Deficit (As compared with Net Expenditure, Column B.)	Vote Number.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines - - -	2,900,952 – –	2,926,557 16 7	– – –	2,926,557 16 7	24,394 3 5	– – –	1
	Supplementary Estimate - - - -	50,000 – –						
2	Victuals and Clothing for ditto - - -	1,241,614 – –	1,338,667 17 1	– – –	1,338,667 17 1	– – –	97,053 17 1	2
3	Admiralty Office - - - - - -	176,018 – –	180,124 8 6	74 19 –	180,049 9 6	– – –	4,031 9 6	3
4	Coast Guard Service, Royal Naval Reserve, &c.	267,067 – –	238,317 13 1	– – –	238,317 13 1	28,749 6 11	– – –	4
5	Scientific Branch - - - - - -	65,106 – –	59,399 15 6	– – –	59,399 15 6	5,706 4 6	– – –	5
6	Dockyards and Naval Yards at Home and Abroad - - - - - - - -	1,375,368 – –	1,425,348 16 4	719 13 2	1,424,629 3 2	– – –	49,261 3 2	6
7	Victualling Yards, &c., at Home and Abroad -	86,395 – –	85,963 7 8	– – –	85,963 7 8	431 12 4	– – –	7
8	Medical Establishments at Home and Abroad -	62,686 – –	61,337 6 8	– – –	61,337 6 8	1,348 13 4	– – –	8
9	Marine Divisions - - - - - -	17,448 – –	17,580 14 2	– – –	17,580 14 2	– – –	132 14 2	9
10 Sect. I.	Naval Stores - - - - - - - -	855,511 – –	1,108,037 3 7	22,110 14 4	1,085,926 9 3	– – –	230,415 9 3	10 Sect. I.
10 Sect. II.	Steam Machinery and Ships built by Contract -	860,559 – –	860,688 16 5	129 16 5	860,559 – –	– – –	– – –	10 Sect. II.
11	New Works, &c. - - - - - - -	888,588 – –	862,197 19 3	– – –	862,197 19 3	26,390 – 9	– – –	11
12	Medicines and Medical Stores - - -	80,664 – –	87,740 16 7	4 11 5	87,736 5 2	– – –	7,072 5 2	12
13	Martial Law and Law Charges - - -	21,332 – –	17,811 8 11	– – –	17,811 8 11	3,520 11 1	– – –	13
14	Miscellaneous Services - - - - -	168,450 – –	194,380 5 –	383 19 9	193,996 5 3	– – –	25,546 5 3	14
	NAVY NON-EFFECTIVE SERVICES:							
15	Half Pay, &c. - - - - - - -	704,937 – –	690,776 8 10	– – –	690,776 8 10	14,160 11 2	– – –	15
16 Sect. I.	Military Pensions and Allowances - - -	528,667 – –	532,165 2 –	– – –	532,165 2 –	– – –	3,498 2 –	16 Sect. I.
16 Sect. II.	Civil Pensions and Allowances - - -	218,915 – –	209,429 17 9	– – –	209,429 17 9	9,485 2 3	– – –	16 Sect. II.
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT.							
17	Army Department (Conveyance of Troops) -	405,976 – –	1,871,292 6 3	1,401,940 17 6	469,351 8 9	– – –	63,375 8 9	17
	Amount written off as Irrecoverable -	– – –	344 16 11	– – –	344 16 11	– – –	344 16 11	Balances Irrecoverable.
	£.	10,976,253 – –	12,768,162 17 1	1,425,364 11 7	11,342,798 5 6	114,186 5 9	480,731 11 3	
					10,976,253 – –		114,186 5 9	
	NET DEFICIT - - - £.				366,545 5 6	£.	366,545 5 6	

YEAR 1868-69.

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1869.

Vote No.	SERVICE.	Ordinary Grants.	A. Total Expenditure.	Amount included in Column A. on account of Expenditure for Abyssinian Expedition.	B. Net Expenditure.	Surplus (As compared with Net Expenditure, Column B.)	Deficit (As compared with Net Expenditure, Column B.)	Vote No.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	3,036,634 – –	3,014,575 15 5	62,228 2 –	2,952,347 13 5	84,286 6 7	– – –	1
2	Victuals and Clothing for ditto	1,335,842 – –	1,312,686 16 1	– – –	1,312,686 16 1	23,155 3 11	– – –	2
3	Admiralty Office	182,364 – –	181,460 16 4	47 3 –	181,413 13 4	950 6 8	– – –	3
4	Coast Guard Service, Royal Naval Reserve, &c.	243,926 – –	236,506 14 –	– – –	236,506 14 –	7,419 6 –	– – –	4
5	Scientific Branch	63,565 – –	63,069 14 11	– – –	63,069 14 11	495 5 1	– – –	5
6	Dockyards and Naval Yards at Home and Abroad	1,223,562 – –	1,220,208 2 10	191 5 9	1,220,016 17 1	3,545 2 11	– – –	6
7	Victualling Yards, &c. at Home and Abroad	87,179 – –	83,271 5 7	1 16 9	83,269 8 10	3,909 11 2	– – –	7
8	Medical Establishments at Home and Abroad	64,824 – –	62,317 1 11	– – –	62,317 1 11	2,506 18 1	– – –	8
9	Marine Divisions	20,709 – –	19,366 10 5	– – –	19,366 10 5	1,342 9 7	– – –	9
10 Sect. I.	Naval Stores	892,908 – –	943,252 17 –	17,021 8 5	926,231 8 7	– – –	33,323 8 7	10 Sect. I.
10 Sect. II.	Steam Machinery and Ships built by Contract	1,092,500 – –	1,060,575 – 8	– – –	1,060,575 – 8	31,924 19 4	– – –	10 Sect. II.
11	New Works, &c.	814,237 – –	809,791 10 10	– – –	809,791 10 10	4,445 9 2	– – –	11
12	Medicines and Medical Stores	78,164 – –	88,081 3 3	59 8 10	88,021 14 5	– – –	9,857 14 5	12
13	Martial Law and Law Charges	20,365 – –	18,470 14 8	– – –	18,470 14 8	1,894 5 4	– – –	13
14	Miscellaneous Services	175,800 – –	184,160 1 2	200 5 7	183,959 15 7	– – –	8,159 15 7	14
	NAVY NON-EFFECTIVE SERVICES:							
15	Half Pay, &c.	700,166 – –	688,074 10 9	– – –	688,074 10 9	12,091 9 3	– – –	15
16 Sect. I.	Military Pensions and Allowances	550,447 – –	545,684 14 2	– – –	545,684 14 2	4,762 5 10	– – –	16 Sect I.
16 Sect. II.	Civil Pensions and Allowances	223,498 – –	209,401 1 2	– – –	209,401 1 2	14,096 18 10	– – –	16 Sect. II.
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:							
17	Army Department (Conveyance of Troops)	350,600 – –	3,324,206 10 10	2,927,931 8 5	396,275 2 5	– – –	45,675 2 5	17
	Amount written off as Irrecoverable	– – –	4,223 4 10	– – –	4,223 4 10	– – –	4,223 4 10	Balances Irrecoverable.
		11,157,290 – –	14,069,384 6 10	*3,007,680 18 9	11,061,703 8 1	196,825 17 9	101,239 5 10	
		11,061,703 8 1				101,239 5 10		
	NET SURPLUS £.	95,586 11 11			£.	95,586 11 11		

* The Abyssinian Expenditure defrayed as follows; viz.:—

	£. s. d.
From the Vote of Credit	2,912,094 6 10
From the Net Surplus on Ordinary Grants	95,586 11 11
	£. 3,007,680 18 9

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1870.

Vote No.	SERVICE.	Ordinary Grants.	A. Total Expenditure.	Amount included in Column A. on account of Expenditure for Abyssinian Expedition.	B. Net Expenditure.	Surplus as compared with Net Expenditure, Column B.	Deficit. as compared with Net Expenditure, Column B.	Vote No.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	2,762,353 – –	2,776,725 8 –	20,658 7 11	2,756,067 – 1	6,285 19 11	– – –	1
2	Victuals and Clothing for ditto	1,172,268 – –	1,059,655 19 5	– –	1,059,655 19 5	112,612 – 7	– – –	2
3	Admiralty Office	168,704 – –	168,442 – –	– –	168,442 – –	262 – –	– – –	3
4	Coast Guard Service, Royal Naval Reserve, &c.	224,073 – –	218,786 18 11	– –	218,786 18 11	5,286 1 1	– – –	4
5	Scientific Branch	62,820 – –	59,431 18 6	– –	59,431 18 6	3,388 1 6	– – –	5
6	Dockyards and Naval Yards at Home and Abroad	1,086,004 – –	1,060,904 10 8	– –	1,060,904 10 8	25,099 9 4	– – –	6
7	Victualling Yards at Home and Abroad	80,671 – –	76,614 19 7	– –	76,614 19 7	4,056 – 5	– – –	7
8	Medical Establishments at Home and Abroad	54,757 – –	51,953 14 9	– –	51,953 14 9	2,803 5 3	– – –	8
9	Marine Divisions	16,566 – –	16,192 8 2	– –	16,192 8 2	373 11 10	– – –	9
10 Sect. I.	Naval Stores	801,572 – –	766,561 15 8	– –	766,561 15 8	35,010 4 4	– – –	10 Sect. I.
10 Sect. II.	Steam Machinery and Ships built by Contract	767,070 – –	745,278 6 5	– –	745,278 6 5	21,791 13 7	– – –	10 Sect. II.
11	New Works, &c.	749,816 – –	737,510 3 1	– –	737,510 3 1	12,305 16 11	– – –	11
12	Medicines and Medical Stores	79,300 – –	76,746 1 8	– –	76,746 1 8	2,553 18 4	– – –	12
13	Martial Law and Law Charges	18,144 – –	15,356 10 –	– –	15,356 10 –	2,787 10 –	– – –	13
14	Miscellaneous Services	120,650 – –	141,822 19 4	138 8 8	141,684 11 4	– – –	21,034 11 4	14
	NAVY NON-EFFECTIVE SERVICES:							
15	Half Pay, &c.	723,231 – –	713,846 15 1	– –	713,846 15 1	9,384 4 11	– – –	15
16 Sect. I.	Military Pensions and Allowances	569,728 – –	571,577 5 –	– –	571,577 5 –	– – –	1,849 5 –	16 Sect. I.
16 Sect. II.	Civil Pensions and Allowances	222,566 – –	247,945 1 –	– –	247,945 1 –	– – –	25,379 1 –	16 Sect. II.
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:							
17	Army Department (Conveyance of Troops)	316,348 – –	592,986 10 6	300,343 8 7	292,643 1 11	23,704 18 1	– – –	17
	Amount written off as irrecoverable	– – –	4,301 18 9	– –	4,301 18 9	– – –	4,301 18 9	Balances irrecoverable.
	£.	9,996,641 – –	10,102,641 4 6	*321,140 4 6	9,781,501 – –	267,704 16 1	52,564 16 1	
		9,781,501 – –				52,564 16 1		
	NET SURPLUS £.	215,140 – –				215,140 – –		

* The Abyssinian Expenditure defrayed, as follows; viz.:—

	£. s. d.
From the Net Surplus on Ordinary Grants	215,140 – –
From the Vote of Credit	106,000 4 6
	£. 321,140 4 6

ABSTRACT STATEMENT of the Sum, Expended compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1871.

Vote No.	SERVICE.	Ordinary Grants (including Supplementary Estimates).	A. Total Expenditure.	Amount included in Column A. on account of Expenditure for Abyssinian Expedition.	B. Net Expenditure.	Surplus (As compared with Net Expenditure, Column B.)	Deficit (As compared with Net Expenditure, Column B.)	Vote No.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	2,692,731 – –	2,715,344 – 9	417 4 5	2,714,926 16 4	– –	22,195 16 4	1
2	Victuals and Clothing for ditto	968,857 – –	981,939 8 9	– –	981,939 8 9	– –	13,082 8 9	2
3	Admiralty Office	159,368 – –	158,246 3 10	– –	158,246 3 10	1,121 16 2	– –	3
4	Coast Guard Service, Royal Naval Reserve, &c.	196,955 – –	184,861 6 8	– –	184,861 6 8	12,093 13 4	– –	4
5	Scientific Branch	68,794 – –	62,638 5 3	– –	62,638 5 3	6,155 14 9	– –	5
6	Dockyards and Naval Yards at Home and Abroad	878,352 – –	973,788 8 9	– –	973,788 8 9	– –	95,436 8 9	6
7	Victualling Yards at Home and Abroad	69,267 – –	66,809 8 2	– –	66,809 8 2	2,457 11 10	– –	7
8	Medical Establishments at Home and Abroad	57,730 – –	57,082 12 6	– –	57,082 12 6	647 7 6	– –	8
9	Marine Divisions	18,122 – –	16,890 15 –	– –	16,890 15 –	1,231 5 –	– –	9
10 Sect. I.	Naval Stores	770,090 – –	971,284 2 10	– –	971,284 2 10	– –	192,194 2 10	10 Sect. I.
10 Sect. II.	Steam Machinery, and Ships built by Contract	466,173 – –	690,002 17 8	– –	690,002 17 8	– –	223,829 17 8	10 Sect. II.
11	New Works, &c.	744,232 – –	855,945 19 6	– –	855,945 19 6	– –	111,713 19 6	11
12	Medicines and Medical Stores	73,150 – –	65,068 13 6	– –	65,068 13 6	8,081 6 6	– –	12
13	Martial Law and Law Charges	16,678 – –	17,140 18 9	– –	17,140 18 9	– –	462 18 9	13
14	Miscellaneous Services	118,791 – –	136,146 12 1	1,019 8 9	135,127 3 4	– –	16,336 3 4	14
	NAVY NON-EFFECTIVE SERVICES:							
15	Half-Pay, &c.	782,100 – –	803,355 5 10	– –	803,355 5 10	98,744 14 2	– –	15
	Supplementary Estimate	120,000 – –						
16 Sect. I.	Military Pensions and Allowances	635,666 – –	606,324 16 9	– –	606,324 16 9	29,341 3 3	– –	16 Sect. I.
16 Sect. II.	Civil Pensions and Allowances	287,134 – –	303,452 18 6	– –	303,452 18 6	– –	16,318 18 6	16 Sect. II.
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:							
17	Army Department (Conveyance of Troops)	237,340 – –	417,075 18 8	169,231 18 8	247,844 – –	– –	10,504 – –	17
	Amount written off as irrecoverable	– –	4,014 17 7	– –	4,014 17 7	– –	4,014 17 7	Balances irrecoverable.
		9,370,530 – –					706,089 12 –	
	Advance out of the Vote of Credit of 2,000,000 *l.* (War in Europe)	550,000 – –				Abate –	550,000 – –	
		9,920,530 – –	10,087,413 11 4	170,668 11 10	9,916,744 19 6	159,874 12 6	156,089 12 –	
		9,916,744 19 6				156,089 12 –		
	NET SURPLUS £.	3,785 – 6			£.	3,785 – 6		

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1872.

Vote No.	SERVICE.	Ordinary Grants (including Supplementary Estimates).	A. Total Expenditure.	Amount included in Column A. on account of Expenditure for Abyssinian Expedition.	B. Net Expenditure.	Surplus as compared with Net Expenditure, Column B.	Deficit as compared with Net Expenditure, Column B.	Vote No.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	2,693,336 – –	2,696,702 9 2	85 12 6	2,696,616 16 8	26,719 3 4	– –	1
	Supplementary Estimate	30,000 – –						
2	Victuals and Clothing for Marines	1,038,202 – –	1,052,911 2 –	– – –	1,052,911 2 –	– –	14,709 2 –	2
3	Admiralty Office	163,499 – –	161,440 11 3	– – –	161,440 11 3	2,058 8 9	– –	3
4	Coast Guard Service, Royal Naval Reserve, &c.	187,830 – –	162,633 17 2	– – –	162,633 17 2	25,196 2 10	– –	4
5	Scientific Branch	67,103 – –	60,292 9 –	– – –	60,292 9 –	6,810 11 –	– –	5
6	Dockyards and Naval Yards at Home and Abroad	967,418 – –	964,870 – –	– – –	964,870 – –	2,548 – –	– –	6
7	Victualling Yards at Home and Abroad	68,334 – –	67,221 16 2	– – –	67,221 16 2	1,112 3 10	– –	7
8	Medical Establishments at Home and Abroad	57,906 – –	57,428 17 11	– – –	57,428 17 11	477 2 1	– –	8
9	Marine Divisions	18,021 – –	16,961 14 4	– – –	16,961 14 4	1,059 5 8	– –	9
10 Sect. I.	Naval Stores	837,965 – –	915,320 6 7	– – –	915,320 6 7	– –	77,355 6 7	10 Sect. I.
10 Sect. II.	Steam Machinery and Ships Built by Contract	751,716 – –	665,675 4 9	– – –	665,675 4 9	86,040 15 3	– –	10 Sect. II.
11	New Works, &c.	763,394 – –	825,751 – 11	– – –	825,751 – 11	25,242 19 1	– –	11
	Supplementary Estimate	87,600 – –						
12	Medicines and Medical Stores	67,600 – –	68,318 18 11	– – –	68,318 18 11	– –	718 18 11	12
13	Martial Law and Law Charges	16,005 – –	15,303 – 3	– – –	15,303 – 3	701 19 9	– –	13
14	Miscellaneous Services	109,617 – –	159,012 3 6	– – –	159,012 3 6	– –	31,395 3 6	14
	Supplementary Estimate	18,000 – –						
	NAVY NON-EFFECTIVE SERVICES:							
15	Half-pay, &c.	829,238 – –	793,463 9 3	– – –	793,463 9 3	35,774 10 9	– –	15
16 Sect. I.	Military Pensions and Allowances	633,785 – –	622,692 18 2	– – –	622,692 18 2	11,092 1 10	– –	16 Sect. I.
16 Sect. II.	Civil Pensions and Allowances	312,237 – –	308,413 18 9	– – –	308,413 18 9	3,823 1 3	– –	16 Sect. II.
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:							
17	Army Department (Conveyance of Troops)	173,150 – –	256,557 15 4	49,437 8 2	207,120 7 2	– –	33,970 7 2	17
	Amount written of as Irrecoverable	– – –	5,009 16 4	– – –	5,009 16 4	– –	5,009 16 4	Balances Irrecoverable.
	£.	9,891,956 – –	9,875,981 9 9	*49,523 – 8	9,826,458 9 1	228,656 5 5	163,158 14 6	
		9,826,458 9 1				163,158 14 6		
	NET SURPLUS £.	65,497 10 11			£.	65,497 10 11		

* The Abyssinian Expenditure defrayed out of the Net Surplus on Ordinary Grants.

YEAR 1872-73.

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1873.

Vote No.	SERVICE.	Ordinary Grants (including Supplementary Estimates).	A. Total Expenditure.	Amount included in Column A. on account of Expenditure for Abyssinian Expedition.	B. Net Expenditure.	Surplus (As compared with Net Expenditure, Column B.)	Deficit (As compared with Net Expenditure, Column B.)	Vote No.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	2,674,145 – –	2,658,892 10 3	23 5 5	2,658,869 4 10	15,275 15 2	–	1
2	Victuals and Clothing for ditto	1,062,269 – –	1,021,065 17 9	–	1,021,065 17 9	41,203 2 3	–	2
3	Admiralty Office	173,767 – –	173,648 16 11	–	173,648 16 11	118 3 1	–	3
4	Coast Guard Service, Royal Naval Reserve, &c.	174,500 – –	143,679 19 2	–	143,679 19 2	30,820 – 10	–	4
5	Scientific Branch	72,741 – –	76,697 6 –	–	76,697 6 –	–	3,956 6 –	5
6	Dockyards and Naval Yards at Home and Abroad	978,983 – –	988,562 10 9	–	988,562 10 9	–	9,579 10 9	6
7	Victualling Yards at Home and Abroad	68,344 – –	67,704 18 8	–	67,704 18 8	639 1 4	–	7
8	Medical Establishments at Home and Abroad	59,926 – –	59,945 19 4	–	59,945 19 4	–	19 19 4	8
9	Marine Divisions	18,728 – –	18,084 12 10	–	18,084 12 10	643 7 2	–	9
10 Sect. I.	Naval Stores	928,510 – –	1,050,193 2 6	–	1,050,193 2 6	–	121,683 2 6	10 Sect. I.
10 Sect. II.	Steam Machinery, and Ships Built by Contract	459,116 – –	375,256 12 7	–	375,256 12 7	101,859 7 5	–	10 Sect. II.
	Supplementary Estimate	18,000 – –						
11	New Works, &c.	716,091 – –	755,656 6 10	–	755,656 6 10	–	39,565 6 10	11
12	Medicines and Medical Stores	70,800 – –	68,151 9 3	–	68,151 9 3	2,648 10 9	–	12
13	Martial Law and Law Charges	16,110 – –	15,958 2 7	–	15,958 2 7	151 17 5	–	13
14	Miscellaneous Services	111,297 – –	128,665 12 7	–	128,665 12 7	–	11,368 12 7	14
	Supplementary Estimate	6,000 – –						
	NAVY NON-EFFECTIVE SERVICES:							
15	Half-Pay, &c.	818,626 – –	820,571 19 10	–	820,571 19 10	–	1,945 19 10	15
16 Sect. I.	Military Pensions and Allowances	638,311 – –	642,222 18 6	–	642,222 18 6	–	3,911 18 6	16 Sect. I.
16 Sect. II.	Civil Pensions and Allowances	309,185 – –	308,607 9 1	–	308,607 9 1	577 10 11	–	16 Sect. II.
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENTS:							
17	Army Department (Conveyance of Troops)	156,700 – –	190,350 9 5	33,475 8 10	156,875 – 7	–	175 – 7	17
	Amount written off as Irrecoverable	– – –	1,523 13 1	–	1,523 13 1	–	1,523 13 1	Balances Irrecoverable.
	£.	9,532,149 – –	9,565,440 7 11	* 33,498 14 3	9,531,941 13 8	193,936 16 4	193,729 10 –	
		9,531,941 13 8				193,729 10 –		
	NET SURPLUS £.	207 6 4			£.	207 6 4		

* The Abyssinian Expenditure defrayed as follows; viz.:—

	£. s. d.
From the Vote of Credit	33,291 7 11
From the Net Surplus on Ordinary Grants	207 6 4
	£. 33,498 14 3

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1874.

Vote No.	SERVICE.	Ordinary Grants (including Supplementary Estimates).	A. Total Expenditure.	Amount included in Column A. on account of Expenditure for Abyssinian and Ashantee Expeditions.	B. Net Expenditure.	Surplus as compared with Net Expenditure, Column B.	Deficit as compared with Net Expenditure, Column B.	Vote No.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	2,629,884 – –	2,614,788 4 4	* 26 10 4 2,043 – 8	2,612,718 13 4	17,165 6 8	– – –	1
2	Victuals and Clothing for ditto	1,035,719 – –	1,107,716 12 1	1,869 10 10	1,105,847 1 3	– – –	70,128 1 3	2
3	Admiralty Office	174,983 – –	178,415 9 7	213 16 5	178,201 13 2	– – –	3,218 13 2	3
4	Coast Guard Service, Royal Naval Reserve, &c.	167,575 – –	151,057 18 8	– – –	151,057 18 8	16,517 1 4	– – –	4
5	Scientific Branch Supplementary Estimate	86,654 – – 12,000 – –	105,115 16 1	– – –	105,115 16 1	– – –	6,461 16 1	5
6	Dockyards and Naval Yards at Home and Abroad Supplementary Estimate	1,115,080 – – 37,000 – –	1,161,099 18 –	12,856 12 9	1,148,243 5 3	3,836 14 9	– – –	6
7	Victualling Yards at Home and Abroad	70,935 – –	73,399 19 9	1,744 10 7	71,655 9 2	– – –	720 9 2	7
8	Medical Establishments at Home and Abroad	62,214 – –	62,232 10 5	– – –	62,232 10 5	– – –	18 10 5	8
9	Marine Divisions	18,683 – –	18,341 18 11	– – –	18,341 18 11	341 1 1	– – –	9
10 Sect. I.	Naval Stores Supplementary Estimate	1,072,380 – – 48,000 – –	1,377,573 10 6	49,702 – 7	1,327,871 9 11	– – –	207,491 9 11	10 Sect. I.
10 Sect. II.	Steam Machinery, and Ships Built by Contract Supplementary Estimate	609,366 – – 20,000 – –	636,956 12 –	85 8 1	636,871 3 11	– – –	7,505 3 11	10 Sect. II.
11	New Works, &c.	682,218 – –	678,865 19 1	– – –	678,865 19 1	3,352 – 11	– – –	11
12	Medicines and Medical Stores	70,800 – –	73,901 9 –	3,730 – –	70,171 9 –	628 11 –	– – –	12
13	Martial Law and Law Charges	16,080 – –	15,869 19 11	– – –	15,869 19 11	210 – 1	– – –	13
14	Miscellaneous Services	105,288 – –	120,219 11 4	3,172 7 2	117,047 4 2	– – –	11,759 4 2	14
	NAVY NON-EFFECTIVE SERVICES:							
15	Half-Pay, &c. Supplementary Estimate	847,462 – – 15,000 – –	846,097 13 6	– – –	846,097 13 6	16,364 6 6	– – –	15
16 Sect. I.	Military Pensions and Allowances	643,216 – –	658,176 18 4	– – –	658,176 18 4	– – –	14,960 18 4	16 Sect. I.
16 Sect. II.	Civil Pensions and Allowances	296,448 – –	298,543 16 1	– – –	298,543 16 1	– – –	2,095 16 1	16 Sect. II.
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:							
17	Army Department (Conveyance of Troops)	167,740 – –	379,708 8 5	* 9,213 3 1 229,069 13 9	141,425 11 7	26,314 8 5	– – –	17
	Amount written of as Irrecoverable	– – –	668 9 8	– – –	668 9 8	– – –	668 9 8	Balances Irrecoverable.
		£. 10,004,725 – –	10,558,750 15 8	* 9,239 13 5 304,487 – 10	10,245,024 1 5 10,004,725 – –	84,729 10 9	325,028 12 2 84,729 10 9	
	NET DEFICIT				£. 240,299 1 5	£.	240,299 1 5	

* These amounts are for "Abyssinia;" the remainder for "Ashantee."

YEAR 1874-75.

ABSTRACT STATEMENT of the Sum Expended, compared with the Sum Granted, for NAVAL SERVICES, in the Year ended 31st March 1875.

Vote No.	SERVICE.	Ordinary Grants (including Supplementary Estimates).	A. Total Expenditure.	Amount included in Column A. on account of Expenditure for Ashantee Expedition.	B. Net Expenditure.	Surplus as compared with Net Expenditure, Column B.	Deficit as compared with Net Expenditure, Column B.	Vote No.
	NAVY EFFECTIVE SERVICES:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	Wages to Seamen and Marines	2,602,757 – –	2,593,789 7 –	3,759 – 5	2,590,030 6 7	13,726 13 5	– – –	1
	Supplementary Estimate	1,000 – –						
2	Victuals and Clothing for Seamen and Marines	1,064,264 – –	1,130,455 10 10	1,875 7 7	1,128,580 3 3	– – –	43,046 3 3	2
	Supplementary Estimate	21,270 – –						
3	Admiralty Office	178,066 – –	183,128 10 2	– – –	183,128 10 2	– – –	5,062 10 2	3
4	Coast Guard Service, Royal Naval Reserve, &c.	163,311 – –	168,280 3 1	– – –	168,280 3 1	– – –	4,969 3 1	4
5	Scientific Branch	111,170 – –	127,976 11 3	– – –	127,976 11 3	– – –	14,856 11 3	5
	Supplementary Estimate	1,950 – –						
6	Dockyards and Naval Yards at Home and Abroad	1,180,326 – –	1,253,609 19 11	– – –	1,253,609 19 11	– – –	283 19 11	6
	Supplementary Estimate	73,000 – –						
7	Victualling Yards at Home and Abroad	72,885 – –	72,587 1 11	170 6 4	72,416 15 7	968 4 5	– – –	7
	Supplementary Estimate	500 – –						
8	Medical Establishments at Home and Abroad	63,701 – –	64,821 5 2	145 2 –	64,676 3 2	– – –	975 3 2	8
9	Marine Divisions	18,720 – –	18,514 5 10	– – –	18,514 5 10	205 14 2	– – –	9
10 Sect. I.	Naval Stores	1,143,159 – –	1,378,382 15 3	1,670 9 6	1,376,712 5 9	– – –	201,553 5 9	10 Sect. I.
	Supplementary Estimate	32,000 – –						
10 Sect. II.	Steam Machinery and Ships Built by Contract	707,904 – –	823,657 3 6	– – –	823,657 3 6	5,021 16 6	– – –	10 Sect. II.
	Supplementary Estimates	120,775 – –						
11	New Works, &c.	682,061 – –	614,712 19 3	– – –	614,712 19 3	67,348 – 9	– – –	11
12	Medicines and Medical Stores	70,520 – –	73,723 11 5	668 15 10	73,054 15 7	– – –	2,309 15 7	12
	Supplementary Estimate	225 – –						
13	Martial Law and Law Charges	15,605 – –	15,372 1 11	– – –	15,372 1 11	232 18 1	– – –	13
14	Miscellaneous Services	113,510 – –	140,724 4 1	2,011 12 6	138,712 11 7	– – –	15,302 11 7	14
	Supplementary Estimates	9,900 – –						
	NAVY NON-EFFECTIVE SERVICES:							
15	Half Pay, &c.	870,166 – –	876,633 12 9	– – –	876,633 12 9	– – –	6,467 12 9	15
16 Sect. I.	Military Pensions and Allowances	657,090 – –	680,061 14 5	45 12 6	680,016 1 11	– – –	22,926 1 11	16 Sect. I.
16 Sect. II.	Civil Pensions and Allowances	288,670 – –	289,809 5 10	– – –	289,809 5 10	– – –	1,139 5 10	16 Sect. II.
	FOR THE SERVICE OF OTHER DEPARTMENTS OF GOVERNMENT:							
17	Army Department (Conveyance of Troops)	175,600 – –	269,757 7 1	87,558 7 3	182,198 19 10	– – –	6,598 19 10	17
	Amount written off as Irrecoverable	– – –	279 17 9	– – –	279 17 9	– – –	279 17 9	Balances Irrecoverable.
	£.	10,440,105 – –	10,776,277 8 5	97,904 13 11	10,678,372 14 6	87,503 7 4	325,771 1 10	
					10,440,105 – –		87,503 7 4	
				Net Deficit £.	238,267 14 6	£.	238,267 14 6	

SECOND

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed*,
3 *May* 1876.

Friday, 11*th February* 1876.

Committee of Public Accounts nominated of—

Mr. Dodson.	Mr. Thomson Hankey.
Sir Walter Barttelot.	Mr. O'Reilly.
Lord Frederick Cavendish.	Sir Charles Mills.
Mr. Cubitt.	Mr. Seely.
Lord Eslington.	Mr. William Henry Smith.
Mr. Goldney.	

Friday, 24*th March* 1876.

Ordered, That the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, from time to time, to The House.

REPORT - - - - - - - - - - - - - p. iii

PROCEEDINGS OF THE COMMITTEE - - - - - p. viii

MINUTES OF EVIDENCE - - - - - - - - - p. 1

APPENDIX - - - - - - - - - - - - p. 5

SECOND REPORT.

THE COMMITTEE on PUBLIC ACCOUNTS have made further Progress in the Matters to them referred, and have agreed to the following SECOND REPORT:—

REVENUE DEPARTMENTS.

VOTE 1.—CUSTOMS.

1. THE Treasury admit that the Comptroller and Auditor General was right in taking exception to the increase of pay given to certain writers in the Customs on the authority of a Treasury Minute of August 10, 1874, but represent that it was a temporary arrangement pending the issue of an Order or Orders in Council. Orders in Council have recently been issued giving effect in part to the recommendation of the Civil Service Inquiry Commission, and it appears to your Committee that the Treasury should at once ascertain whether these Orders cover the case of the writers in question, and if otherwise, should without loss of time obtain an Order in Council for the purpose, or take such other steps as may be requisite to establish a duly authorised state of things.

Report, s. 1. Q. 506. Q. 509.

2. The Treasury state that they are about to issue a Minute on the subject of the date of the record of payments made by Sub-Accountants. Your Committee had, from the evidence given before them last year, been led to hope that an earlier decision on this question would have been arrived at.

s. 2. Q. 315. First Report of Committee, 1875, s. 65.

3. The expenses under the Merchant Shipping Act, which have led to the deficit on Sub-head F., are now transferred to the Board of Trade.

Q. 316.

4. The result of the Test Examination, both in the case of this Account and in that of the Inland Revenue, is stated by the Comptroller and Auditor General to have proved satisfactory.

s. 6. Vote 2, s. 3.

VOTE 3.—POST OFFICE.

5. The Comptroller and Auditor General has again objected to the payment of salaries in the case of some of the persons irregularly appointed, and reports that the amount so objected to (1,285 *l.* 6 *s.* 4 *d.*) is not properly chargeable against the Vote of Parliament.

s. 3. Q. 637.

A Bill has been prepared by the Government for the purpose of settling and legalising the position of all the persons who have been irregularly appointed, whether in the Post Office or in the Telegraph Service, and those whose duties are clerical have, since the Report of the Comptroller and Auditor General was drawn up, been subjected to an examination. This examination has been one specially devised to meet the case, and has been conducted, not by the Civil Service Commissioners, but by an officer of the Treasury and an officer of the Post Office, for the purpose of satisfying the former department that the persons thereto subjected are practically competent to discharge the duties on which they are employed.

Q. 524—7. Q. 527. Q. 527—31. s. 41.

6. Your Committee repeat the opinion they expressed in their Second Report of 1875, that it is highly desirable that the position of the persons referred to should be determined, and that it is high time that this vexed question were

Second Report of Committee, 1875, s. 8.

definitively disposed of. They must now add the expression of their regret that a settlement was not effected last year, and of their hope that one will be arrived at with as little delay as possible.

ss. 4, 5. Second Report of Committee, 1875, s. 1.

7. The questions of (1) Special Allowances for Special Work and Rates of Pay for Extra Work, and (2) of Certain Payments made without Treasury authority, adverted to by your Committee in their Second Report of last year, have been disposed of.

s. 8. Q. 546. Q. 543—5.

The scheme submitted by the Comptroller and Auditor General for a test examination as to Treasury authority of the Accounts of the London District and Provincial Postmasters is under consideration by the Treasury in conjunction with the Post Office. The re-organisation of the Comptroller and Auditor General's Department has enabled him this year to make a complete examination of these Accounts, both as to Vouchers and Appropriation. The question as to proof of Treasury authority alone remains for settlement.

s. 12. Q 558.

8. In consequence of the observations of the Comptroller and Auditor General, the Treasury propose to consider with the Postmaster General, whether a simpler mode of remunerating the Sub-Postmasters and the London Receivers can be established.

ss. 15, 16. Q. 563—5.

9. The Account will in future be rendered in the manner recommended by the Comptroller and Auditor General.

10. The payment of sums, amounting to 1,285*l.* 6*s.* 4*d.* above mentioned, being disallowed, the surplus to be surrendered on this Vote will be 36,914*l.* 13*s.* 4¼*d.* instead of 35,630 *l.* 2 *s.* 0¼ *d.* as stated in the Account.

Vote 5.—Post Office Telegraph Service.

s. 1.

11. The observations made under the preceding Vote in regard to irregular appointments and to special allowances for special work, and rates of pay for extra work, apply to the same subjects in connection with this Vote. Inquiries

s. 2. Q. 567. 527, 528.

are being made into the engineering branches of the Telegraph service, and are stated to be on the point of completion.

s. 4. Q. 569.

12. Your Committee regret to learn that the case of the unestablished staff has not yet been settled. It is undergoing inquiry by an official Committee, which has not yet reported.

ss. 6, 7, 8, 9. Q. 572–3. 578. 582. 637. 640.

13. The payments for works of extension and re-arrangement, amounting to the several sums of 4,320 *l.* 17 *s.* 2½ *d.* and 490 *l.* 17 *s.* 3 *d.*, have now received the sanction of the Treasury.

s. 11. Q. 578, 9. 584—6.

14. The manner in which expenditure is classified and checked under the different heads of "Maintenance," "Extensions," "Materials, &c.," is stated in the evidence.

ss. 12. 16. Q. 591—4.

15. A portion of the cost of sites for Post Office Buildings and of the cost of erecting such buildings is now charged against the Telegraph Vote. The basis on which the outlay may best be apportioned between the two services has not been finally determined. Your Committee refer to the observations made in their First Report upon Vote 11, Class I. They also refer to the more general observations on this subject contained in their Report of the year 1874, section 94.

Q. 587–8.

16. It is intended in the next Profit and Loss Accounts to show approximately the amount chargeable against the Telegraph Service for expenditure upon these objects in former years.

s. 17. Q. 595—605. 641. Letter of Post Office to Treasury, October 1874. Report, pp. 375–6.

17. The employment of Mr. Sampson was clearly irregular. It appears, however, that the Superintendent in July 1872, a month before Mr. Sampson was engaged as junior clerk, reported that his services were needed, and that the Engineer in Chief in June 1873 reported that his services were "absolutely essential." Mr. Sampson left the service in March 1874. Considering the vast number of irregular appointments that have been made in the Telegraph Service, and that it is now proposed to obtain from Parliament a condonation of them *en bloc*, your

your Committee see no sufficient reason for making this case an exception. They therefore recommend that the payment to Mr. Sampson of 84 *l.* 7 *s.* 1 *d.* be allowed.

18. This payment being allowed, and Treasury sanction having been given to the payment of the sums of 4,320 *l.* 17 *s.* 2½ *d.*, and of 490 *l.* 17 *s.* 5 *d.* above adverted to, the surplus to be surrendered will amount, as stated by the accountant, to 22,214 *l.* 17 *s.* 5¼ *d.*

ARMY PURCHASE COMMISSION ACCOUNT.

19. In accordance with a suggestion made by your Committee in their First Report last year, the sum estimated for compensation for half-pay officers entitled to retire under the Act of 1871, is now distinguished in the Estimates from that estimated for the compensation of half-pay officers permitted to retire in excess of the number entitled to retire. Q. 631.

WOODS AND FORESTS ACCOUNT.

20. A Committee appointed by the Treasury is engaged in considering the position of the legal officers acting for the Crown in Edinburgh. Q. 630.

CONSOLIDATED FUND ACCOUNT.

21. An important letter from the Secretary to the Treasury to the Chief Secretary for Ireland, on the subject of outstanding balances in respect of Loans, is appended to the Report of the Comptroller and Auditor General. A Bill is in preparation dealing with the points recapitulated at the close of that letter. Q. 632.

22. A return called for by your Committee is intended to show the estimated loss to the country by these transactions. Q. 634.

23. Your Committee avail themselves of this opportunity again to record their sense of the good service the Comptroller and Auditor General has rendered to the public by directing attention to this subject.

TELEGRAPH CAPITAL ACCOUNT.

24. The statement that Treasury sanction has not been given to the agreement with the South Devon Railway Company is erroneous. The sanction was given last year, and the fact was mentioned in the Second Report of your Committee, Section 20. s. 3. Q. 643–4.

25. The other cases adverted to by the Comptroller and Auditor General in Section 3 of his Report, as well as those in Sections 4 and 5, are stated to be near completion. Q. 642. 646–7.

26. Extra Pay to Officers of the late United Kingdom Telegraph Company.— These payments were described and unfavourably commented upon by the Comptroller and Auditor General in his Report last year (Section 30), and were adverted to in the Second Report of your Committee, 1875, Section 24. The Treasury have since refused to sanction the payments. ss. 15. 17.

27. Correspondence on the subject between the Treasury and the Post Office, extending from May 1875 to March 1876, is given in the Appendix to the Report of the Comptroller and Auditor General now under consideration. The statements on behalf of the Post Office appear in the letters of the Postmaster General of May 28, 1875 (App. p. 10), of February 21, 1876 (App. pp. 16, 17), and the objections of the Treasury appear in their letters of January 11, 1876 (App. p. 12), and of March 4, 1876 (App. p. 19).

 28. In

Q. 651—6. 28. In answer to inquiries made by your Committee, they were informed that the Post Office can add nothing to the statement contained in the above-mentioned letter of the Postmaster General of May 28, 1875, and can furnish no further evidence in support of the charges, or explanation of the data on which the amount paid was calculated.

In this state of things your Committee are of opinion that the payments in question, amounting to 576 *l.* 10 *s.*, should be disallowed.

ss. 15, 16, 17. 29. Sum of 1,500 *l.*, and interest amounting to 145 *l.* 6 *s.* 3 *d.* allowed to the United Kingdom Telegraph Company for general expenses, and clerks' time and supervision.—The payment of the principal sum of 1,500 *l.*, which includes an allowance or remuneration to the directors of the Company, was observed upon in the Report of the Comptroller and Auditor General last year (Section 31), and noticed in the Second Report of your Committee 1875, Section 24.

Q. 670. 30. The Treasury have refused to sanction the payment of either principal or interest. The statements on behalf of the Post Office appear in the Postmaster General's Letters of 28 May 1875 (App. p. 10), and of 21 February 1876 (App. p. 16), and the objections of the Treasury appear in their letters of 11 January 1876 (App. p. 13), of 14 March 1876 (App. pp. 18, 19, 20).

Q. 668. 31. The Post Office appear to have acted under the advice of their solicitor, but to have obtained no higher legal opinion before making the payment.

Q. 663—7. The allowance or remuneration to the Directors is alleged to be for work actually performed by them for the Post Office.

Q. 658—661. 32. In answer to inquiries made by your Committee, they were told that the Post Office can afford no further information than is given in the correspondence appended to the Report of the Comptroller and Auditor General, and that the

Q. 662. present Postmaster General could not be expected to sanction by a Minute a payment of this description, made before he acceded to office.

33. The information in support of the payment of this sum of 1,500 *l.*, and of the interest thereon, is so meagre and unsatisfactory, that your Committee concur with the Treasury in the opinion that both should be disallowed.

s. 15. 17. 34. Payment of 1,000 *l.*, being a moiety of the amount claimed by and paid to the Shropshire Union Canal Company.—This payment was observed upon in the Comptroller and Auditor General's Report, 1875 (Section 35), and is one of those referred to in section 24 of the Second Report of your Committee last year.

35. The circumstances of the compromise under which this allowance was made are detailed from the point of view of the Post Office (App. pp. 10—16), and of the Treasury (App. p. 13—20), in the letters already referred to.

Q. 671, 8. 36. It was further stated to your Committee, that the Post Office did use every effort to procure the insertion in the agreement with the United Kingdom Telegraph Company of a proviso guarding against failure on the part of the Company to fulfil any obligations they might be under to third parties, but that the Company declined to accept such a clause. The Treasury, although apparently with some reluctance, refused to sanction this payment. Your Committee regret that the Post Office should have been guilty of the imprudence of committing itself to an agreement which admitted of this claim being subsequently raised against it, but, considering that when once bound by the agreement the department had no resource but to make terms or incur the risk and expenses of arbitration, they are of opinion that the payment of the 1,000 *l.* by way of compromise may be allowed.

ss. 15. 17. 37. Attention is also called by the Comptroller and Auditor General to the payment of 14 *l.* 14 *s.* to persons employed by various City firms, which forms part of a larger sum paid under the head of "Gratuities," in connection with the arrangement with the Electric and International Telegraph Company.

38. The subject is discussed in the letter already referred to on the part of the Post Office (App. pp. 11, 12. 17) and on the part of the Treasury (App. pp. 14. 20).

39. It

39. It has been admitted on behalf of the Post Office to your Committee that the department has no further information to give, and cannot undertake to say what the object of these payments was. Q. 679. 680.

40. In these circumstances your Committee are not prepared to disagree with the opinion expressed by the Treasury in their letter of March 11, 1876, that the amount should be disallowed.

41. A Member of your Committee has called attention in the case of the purchase of the Dublin, Wicklow, and Wexford Railway, to the fact that not only the purchase-money, but also interest at the rate of 5 per cent. upon that amount, from the date of purchase up to that of payment, an interval of four years, has been charged to Telegraph Capital Account, although the profits derived from the undertaking during the time that the arrears of interest accumulated have been treated as part of the Telegraph Revenue. s. 25. Q. 685.

42. The effect of this arrangement is that the Profit and Loss Account of the Telegraphs has presented an unduly favourable appearance for the space of four years, and that now the charge for the cost of the acquisition of the Telegraphs is swollen to an undue amount. The course followed, in the present instance, has been that hitherto adopted in similar cases where payment of the purchase-money of an undertaking has been deferred pending arbitration, but it is matter for consideration whether, in such cases, the accruing interest should not be treated as a charge upon Telegraph Revenue, and provided for in the annual Vote for that Service. Q. 688—691. Q. 693—697.

43. It is moreover to be observed that protracted or deferred arbitrations tend to result in a loss to the public, inasmuch as although in case of prompt payment the capital for the purchase must be raised at an earlier date, the interest payable upon it would only be the rate at which the Government can borrow, instead of the higher rate allowed to the Companies for postponed payment. A Return upon this head will be found in the Appendix. Q. 707.

44. The Excess of Payments over Receipts by the Postmaster General on the Telegraph Capital Account, from the commencement, viz., 1st August 1868, up to 31st March 1875, the close of the financial year the audited Accounts of which are before your Committee, amount, according to the Accountant, to 10,398 *l.* 12 *s.* 10¾ *d.*, and according to the Abstract Account of the Comptroller and Auditor General, to 7,162 *l.* 2 *s.* 7¾ *d.* The difference is occasioned by the amounts adverted to, making up a sum of 3,236 *l.* 10 *s.* 3 *d.*, from which Treasury sanction has been withheld. Report, p. 2. p. 22.

45. Your Committee have expressed the opinion that the following charges should be disallowed:

	£.	*s.*	*d.*
Extra pay to officers of the United Kingdom Telegraph Company	576	10	–
Allowances to Directors and Staff of the same Company	1,500	–	–
Interest on the sum of 1,500 *l.*	145	6	3
Payments in connection with the Electric and International Telegraph Company	14	14	–
£.	2,236	10	3

This sum being disallowed, the Excess of Payments over Receipts amounts to 8,162 *l.* 2 *s.* 7¾ *d.*

46. There then remains above payments a balance of Capital authorised to be raised under the Telegraph Acts of 1869, 1871, and 1873, of 180,370 *l.* 11 *s.* 6¼ *d.*, and with the addition of the amount received from sales of premises and other items, a total balance of 182,916 *l.* 7 *s.* 10¼ *d.*, instead of the corresponding balances stated by the Comptroller and Auditor General in his Report (s. 35).

3 *May* 1876.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 29th March 1876.

MEMBERS PRESENT:

Mr. DODSON in the Chair.

Mr. Cubitt.	Mr. O'Reilly.
Lord Eslington.	Mr. William Henry Smith.
Mr. Goldney.	Lord Frederick Cavendish.
Mr. Seely.	

The Post Office Telegraph Capital Account was considered.

Mr. *Reginald E. Welby*, Mr. *Charles L. Ryan*, Mr. *Stevenson A. Blackwood*, and Mr. *Francis Phillips* were examined.

[Adjourned till Wednesday the 3rd of May, at Two o'clock.

Wednesday, 3rd May 1876.

MEMBERS PRESENT:

Mr. DODSON in the Chair.

Mr. Hankey.	Mr. Cubitt.
Sir Walter Barttelot.	Mr. Goldney.
Mr. William Henry Smith.	Mr. Seely.

DRAFT REPORT proposed by the Chairman, read the first and second time, and considered paragraph by paragraph, and *agreed to*, with Amendments.

Question, That this Report, as amended, be the Second Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report, together with the Minutes of Evidence and Appendix.

MINUTES OF EVIDENCE.

LIST OF WITNESSES.

Wednesday, 29th March 1876.

PAGE.

Mr. Reginald Earle Welby, C.B.; Mr. Stevenson A. Blackwood; and Mr. Charles Lister Ryan - - - - - - - - - - - - - - - 1

Mr. Francis Phillips - - - - - - - - - - - - - - 4

MINUTES OF EVIDENCE.

The PROCEEDINGS of the 15th and 22nd MARCH are appended to the FIRST REPORT.

Wednesday, 29th March 1876.

MEMBERS PRESENT:

Lord Frederick Cavendish.	Mr. Goldney.
Mr. Cubitt.	Mr. O'Reilly.
Mr. Dodson.	Mr. Seely.
Lord Eslington.	Mr. W. H. Smith.

THE RIGHT HONOURABLE JOHN GEORGE DODSON, IN THE CHAIR.

POST OFFICE TELEGRAPHS CAPITAL ACCOUNT.

Mr. REGINALD EARLE WELBY, C.B.; Mr. STEVENSON A. BLACKWOOD, and Mr. CHARLES LISTER RYAN, called in; and further Examined.

Chairman.

642. (To Mr. *Blackwood.*) UPON paragraph 3, have the agreements with the Greenock and Ayrshire, the Leven and East of Fife, and the South Devon Railway Companies, or any of them, been now submitted for the Treasury approval?—The agreement with the Greenock and Ayrshire, which has now been amalgamated with the Glasgow and South Western Railway Company, is with the Post Office counsel, and will be ready in a few days.

643. For submission to the Treasury?—Yes; the agreement with the Leven and East Fife was received at the Post Office last week, and is now at our solicitors. It will almost immediately be submitted to the Treasury. The agreement with the South Devon Railway Company was sanctioned by the Treasury on the 29th of March 1875, and I presume, therefore, that there has been a misapprehension on the part of the Comptroller and Auditor General with respect to it.

644. (To Mr. *Ryan.*) Have you any observation to make upon that?—I have no doubt if Mr. Blackwood says so, that it must have been a mistake. We were misled by the statement in the last paragraph but one of the Post Office letter of 14th December 1875.

645. (To Mr. *Blackwood.*) What has been the cause of the long delay in the case of the two former agreements?—Disputes with the companies; the impossibility of arriving at a settlement of the terms which could be submitted to the Treasury.

646. Upon paragraph 4, has the deed of conveyance been executed by the Great North of Scotland Company?—It is on the point of execution. There is only a small alteration necessary; it has to be re-engrossed, and will then be executed.

647. And the Somerset and Dorset?—The ratification will be exchanged on the 31st of the present month.

648. Upon paragraph 6; from the Treasury letter referred to by the Comptroller and Auditor General, and printed at page 15, it appears that on the 15th of March last the Treasury "trusted, before long, to be able to come to a decision" on the points. Have they done so now?—No; we have received no communication from them.

Chairman—continued.

649. (To Mr. *Welby.*) Is the subject still under the consideration of the Treasury?—It is; the subject is a very technical one, and the Treasury have not yet had time to come to a decision upon it.

650. It involves a number of minute points?—It involves a difficult question of the difference between the per-centages charged, as to which the Treasury have considerable doubts, and they are not yet satisfied upon the point.

651. It is a question which requires some little time for consideration?—Yes.

652. (To Mr. *Blackwood.*) In regard to the 7th paragraph; has any sanction been given since that paragraph was written to any of the matters to which sanction had not at that time been given?—No.

653. It remains *in statu quo*?—Yes.

654. On paragraph 15, Sub-section 1, with regard to extra pay to the officers of the United Kingdom Telegraph Company, amounting to 576 *l.* 10 *s.*, the Treasury, in their letter of the 14th of March last, which is given at pages 18 and 19 of this Report, complains under this head that no evidence in support of the charge has been offered by the Post Office, and therefore they decline to sanction it, and state that no explanation was given of the data on which the amount paid was calculated; have the Post Office furnished any further information since that time?—The Post Office believes that it has furnished all the data which can be furnished under the circumstances, consisting of the claim of the company, specifying the periods during which the officers profess to have been employed. Beyond that the Post Office is unable to furnish anything more.

655. But is it not able to furnish an explanation of the data on which the amount paid was calculated?

Mr. *Welby*, C.B., Mr. *Blackwood*, and Mr. *Ryan*.

29 March 1876.

POST OFFICE TELEGRAPHS, &c.—*continued.*

Chairman—continued.

calculated?—The department has stated all that it could in the Postmaster General's letter of the 28th of May 1875, at page 10 in the last paragraph but one at the bottom of the page.

656. And that is how the question stands now?—Yes; the Postmaster General has furnished the certificate of the late manager and secretary of the company at page 17 in the last clause; that is all the information the Post Office can afford.

Lord *Eslington.*

657. I am not quite clear upon this point; do the Post Office claim the right of fixing the rate of payments that they may make to their own servants, in the first instance, and agreeing upon the terms without Treasury sanction?—No, certainly not with regard to their own servants. That the Post Office made these payments on the occasion of the transfer of the Telegraphs, was part of the irregularities which have already been before the Committee.

Chairman.

658. Then, in regard to Sub-section 2, the amount allowed to the same company for general expenses, clerks' time, and supervision, namely, 1,500 *l.*, the Treasury, in their letter of the 14th of March 1876, at the bottom of page 19 upon this subject, complain that the Postmaster General's letter contains no information as to the services rendered by the directors; in this case, were you unable to obtain further information?—Yes; nothing more can be given.

659. The Postmaster General's letter of 28th of May 1875, at page 10 in the last paragraph at the bottom of the page, says: "The Telegraph Company were pressed to furnish a detailed statement of the items of which the amount was made up, but they declined to do so"?—Yes.

660. Are you unable to obtain any further information from them?—The department was unable to obtain anything more, and it is stated in a further letter from the Post Office of the 21st of February last, at page 16, paragraph 4, "The department pressed for details, and on being unable to obtain them, paid the amount rather than break off the negotiations, and involve the cost of arbitration." The late second secretary believed, I understand, that that was the most politic course to adopt, under the circumstances.

661. In that same letter on the subject, the Postmaster General states that he is unable to afford any further explanation?—Yes.

662. The Postmaster General could furnish a minute, could he not?—I should hardly think that he would like to cover with his sanction a payment of this kind which took place before he became Postmaster General, some years ago.

Mr. *Goldney.*

663. There seems to be a point in dispute between the Treasury and the Post Office with regard to the amount paid to directors. In the Post Office letter on page 10, the Post Office say, "The directors were without doubt entitled to be paid for their services." You make that statement which the Treasury do not admit; what authority have you for the statement?—I understand that the

POST OFFICE TELEGRAPHS, &c.—*continued.*

Mr. *Goldney*—continued.

ground on which it was believed that the directors of this company were entitled to payment for their services was, that they were really performing a great deal of the work of the company. It was a much smaller company than the Electric and International, and they were doing a great deal of the work, and Mr. Scudamore conceived that on that ground they were entitled to be paid for work performed; he believed that the work was actually done.

664. Was not that work done in connection with their sale; were they not the vendors?—It is true that they were the vendors, but the services for which this remuneration was given were in connection with extensions that they were making for the Post Office.

665. The directors of a company would not be in that capacity doing work for the Post Office, although some of their staff which you pay would?—On this occasion it is asserted that they did the work.

666. Do the Post Office know what class of work it was?—I believe they had information at the time.

667. That seems, as far as I can gather from this correspondence, to be the point in controversy. The Post Office say, "The directors were without doubt entitled to be paid for their services," and the Treasury at page 19 dispute it?—Yes.

Mr. *Seely.*

668. The Treasury say that this payment ought not to have been made without taking the highest legal advice; did the Post Office do so?—They had the advice of their own solicitor.

669. Was that the only legal advice that they had?—Yes.

Chairman.

670. (To Mr. *Welby.*) In regard to the interest upon this sum of 1,500 *l.*, of which no notice was taken in the Treasury letter, did the Treasury conceive that the objection to the principal carried with it the objection to the interest?—Yes; their not mentioning that in the first part of the letter was a pure oversight. You will see by the letter reported to Parliament, on page 18, that they made a special exception of that sum under paragraphs 33 and 36. It was a pure oversight that they did not state it when they were stating the disallowances; that is in the second part of their letter.

671. (To Mr. *Blackwood.*) In regard to the payment of the moiety of the amount allowed to the Shropshire Union Canal Company, this appears to have been in the nature of a compromise?—It was. The claim was for 2,000 *l.*, and 1,000 *l.* was allowed.

672. Have you anything to add to the explanation that was afforded by the Post Office of the circumstances under which this compromise was entered into; that appears upon the correspondence?—The only thing I should like to add is with reference to the last paragraph but one of the remarks of the Treasury upon that head at page 20, in which their Lordships say that "They see no reason why the obvious precaution should not have been taken to insert in every deed of agreement a proviso guarding against failure on the part of the vendors." I understand that every effort was made to take that precaution,

POST OFFICE TELEGRAPHS, &c.—*continued.*

Chairman—continued.

precaution, and insert such a clause, but that the company withstood the effort, and succeeded. I believe that it was not an omission, on the part of the Post Office, to take the necessary precaution; they did their best, but failed.

673. The company declined to be subject to it?—Yes, the company declined to insert such a proviso.

674. Their declining to insert such a proviso surely raised the presumption that there was some liability or engagement which they thought they were under?—I should have been inclined to think so.

675. But the Post Office did not ascertain at the time what that liability or engagement was?—No.

Mr. *Goldney.*

676. Of course it was before your time; but do you happen to know whether any legal advice was taken as to this point with reference to the deduction of the whole 2,000 *l.*?—It was deducted in consequence of legal advice, probably that of the solicitor to the Post Office.

677. Was any legal advice taken when you gave up half of it?—No, I understand not.

678. What I gather from you is, that legal advice was taken upon this specific question, and that in consequence of legal advice the Post Office Department insisted upon the 2,000 *l.* being deducted, and that after that, without taking any further legal advice, they surrendered the moiety on a threat that the company would enter into litigation?—Yes, I believe that is a correct representation of the facts.

Chairman.

679. In regard to the fifth Sub-section referring to the payment, to the Electric and International Telegraph Company, of 14 *l.* 14 *s.* for Christmas boxes, have you anything to add upon that matter?—The department is unable to throw any more light upon the subject than that which has been given to the Treasury. It is somewhat under the impression that the payments were not exactly in the nature of Christmas boxes, as ordinarily understood; but that, whilst making certain extensions, and re-arrangements in the City, the officers of the department had to occupy, at unseasonable hours, certain offices and places of business, and that these sums were remuneration to housekeepers, and other persons who afforded them facilities at odd times in order to do their work; but that does not rest on any very reliable foundation; it is merely an impression.

680. There is no distinct record of what these sums were paid for?—No.

681. Passing on to page 6, in regard to the accounts for the year ended 31st March 1875, what are those fees to which the sum of 1,039 *l.* 19 *s.* 1 *d.*, out of the balance that was in the hands of the National Debt Commissioners, has been applied?—They were for witnesses retained on arbitration cases, experts, actuaries, civil engineers, and so on. The Treasury placed that sum, which was the balance of an amount retained in their hands, at the disposal of the Postmaster General to enable him to pay witnesses whom he was compelled to retain under very urgent circumstances, without being able to obtain Treasury sanction beforehand.

POST OFFICE TELEGRAPHS, &c.—*continued.*

Chairman—continued.

682. Then why was this particular sum devoted to that particular purpose; it appears exactly to have fitted the amount?—It has not all been spent. The item appears under the head of "Receipts by the Postmaster General."

683. What has been spent upon these fees?—Between 200 *l.* and 300 *l.* I believe.

Mr. *Goldney.*

684. Is the amount so spent carried in detail into an account laid before the Comptroller and Auditor General?—Yes, every item.

Lord *Frederick Cavendish.*

685. (To Mr. *Ryan.*) In the second paragraph under Head 25, it is stated, "The purchase money awarded in this case was 19,000 *l.*, with interest at the rate of 5 per cent. per annum, from 28th January 1870 to the date of payment, viz., the 15th May 1874, amounting to 4,078 *l.* 9 *s.* 10 *d.* This interest of 4,078 *l.* is due on the purchase of a property by the Government four years previously, which property had been bringing in profits, which had been paid into the yearly revenue from the Post Office Telegraph, is it not?—Yes.

686. Would not it then have been more correct that the interest on this sum should have been charged against the annual vote, instead of being added to the capital cost of the Telegraphs?—I think that is a very fair question. The reason why we admitted it was that the whole sum, including this interest of 4,078 *l.* 9 *s.* 10 *d.*, formed part of the arbitrator's award. At the same time I think it is a very fair point whether we ought not to have questioned this amount being carried to the charge of the Capital Account.

687. Would it not have been more correct to distinguish between the two parts of which the total sum was composed, provided you had the materials for saying how much of it was for interest, and how much was for the value of the property purchased?—The arbitrator did state that.

Mr. *W. H. Smith.*

688. Supposing this money had been paid on the 20th of January 1870, the effect would have been this, that 19,000 *l.* more capital would have had to be found, and that 3½ per cent. interest upon that sum would have become chargeable against the Telegraphs Account, from that time up to the date of the award?—Yes.

689. The difference between 3½ per cent. and 5 per cent. on 19,000 *l.* is the loss that the Government have sustained by the postponement of the award?—Yes.

690. But the yearly profit and loss account of the Telegraphs would have shown an increase of deficiency amounting to the interest on this 19,000 *l.*?—Clearly; if the amount had been raised the amount of interest appearing in the profit and loss account would have been increased.

Lord *Frederick Cavendish.*

691. The result is that the apparent cost of the Telegraphs is larger than it really was, and that the apparent net receipts for the last three or four years have been larger than they really were?—Yes.

Mr. *W. H. Smith.*

692. The same remark would apply to all the unsettled

Mr. *Welby*, C.B., Mr. *Blackwood*, and Mr. *Ryan*.

29 March 1876.

POST OFFICE TELEGRAPHS, &c.—*continued.*

Mr. *W. H. Smith*—continued.

unsettled arbitrations of the Post Office at the present moment?—Yes; there is considerable cost to the country arising from unsettled arbitrations.

Lord *Frederick Cavendish.*

693. In view of the loss which has resulted from this arbitration not having been settled five years ago, is it not an important question whether the arrears of interest should not in a case like this be charged to the annual Vote, instead of being charged to the Capital Account?—I think, although attention has not been drawn to it by the Comptroller and Auditor General in this Report, it is one well deserving of consideration in his future Reports.

POST OFFICE TELEGRAPHS, &c.—*continued.*

Lord *Frederick Cavendish*—continued.

Mr. FRANCIS PHILLIPS, called in; and Examined.

Mr. *Phillips.*

Chairman.

694. HAVE you anything to say upon this point?—No provision has hitherto been made in the Annual Votes of Parliament for charges of interest upon the purchase of Telegraph undertakings; therefore, if the Accountant had charged the interest to the Vote, we should, I think, have been obliged to raise the question whether, under the circumstances, it was properly chargeable.

Lord *Frederick Cavendish.*

695. (To Mr. *Welby.*) In the opinion of the Treasury, what is the correct manner of charging this interest; should not a provision have been made in the annual Telegraphs Vote for meeting such charges, instead of adding them to the capital?—I think that the view that the Treasury have taken is that which was expressed just now by the Secretary to the Treasury, namely, that as long as this capital sum is unraised, the Consolidated Fund has the saving of the interest; and they thought, that being the case, it was on the whole better to treat the whole of the sum payable on the award as being chargeable against the Capital Account.

Chairman.

696. (To Mr. *Ryan.*) What is the practice of private companies generally in similar cases?—I am afraid I cannot answer that question.

697. Is there no general rule?—No, I do not think that there is any fixed rule.

698. (To Mr. *Blackwood.*) Upon paragraph 26, why was it that no deed of conveyance was considered necessary in this case?—I believe that the Solicitor to the Post Office acted upon the opinion that possession was nine points of the law, and that it was not worth while to execute the tenth. The property was a very small one; it only consisted of a few poles and wires, I believe.

699. Upon page 8, paragraph 31, under the head of "Telegraph Extensions," there is a sum of 414*l.* 2*s.* 2½*d.* which has been charged; it consists of amounts which have been charged against the Telegraph Vote in error; I think we were told last year that there was no further charge in respect of extensions, except a sum payable to the Universal Telegraph Company; has that sum been paid?—Not yet; it is about to be paid.

700. Therefore the Capital Account is not yet closed, so far as it concerns extensions?—That is the only exception, I believe.

701. But it appears from the Report of the Committee last year that the delivery of the

Chairman—continued.

award in that case was expected almost immediately; do you know what has been the cause of the delay?—The Post Office did not take up the award until very lately; there was some hesitation about it. It was understood that the award was unfavourable to the Post Office, and we preferred to let the company take it up; but on their declining to do so, we were compelled to take it up in order to pay the fees.

702. Has this charge of 414*l.* 2*s.* 2½*d.*, mentioned here, anything to do with the Universal Telegraph Company?—Yes; it was on account of work performed by them for the Post Office.

Mr. *O'Reilly.*

703. It appears, as I understand it, that there is still a sum of 3,236*l.* 10*s.* 3*d.* which has been paid by the Post Office, and the payment of which has not been sanctioned by the Treasury?—There is.

704. Am I right in thinking that there does not appear to be any immediate prospect of its being sanctioned by the Treasury?—The Treasury have declined all responsibility for it, and have submitted the circumstances to this Committee.

705. Have the Post Office, so far as you know, in contemplation any course with regard to these payments?—The Post Office will await the judgment of this Committee before it takes any steps.

Chairman.

706. But the Post Office have paid the money?—Yes; the Post Office must take whatever steps the Committee decides upon.

Mr. *Seely.*

707. Can you furnish the Committee with an account of the interest that has been charged to Capital Account on the several sums of money during the time that the award in each case was pending?—Yes; no doubt we can.

708. That is to say, the amount of interest that has been paid from the day that you came into possession of the profits of the undertaking, and charged to Capital Account?—From the time the Post Office came into possession of the undertakings, every item can be given. I am reminded that there are some cases in which the arbitrator did not distinguish between capital and interest.

709. But where it is distinguishable there would be no difficulty in furnishing such an account?—No, we can furnish it in those cases.

APPENDIX.

LIST OF APPENDIX.

Appendix, No. 1.

Paper handed in by Mr. Welby: PAGE.

Statement of the Amounts Issued from the Exchequer by way of Loan for the purposes of certain Public Works in Ireland, and the Amounts Repaid, showing the Balances of Principal Outstanding on the 31st March 1876; also the Approximate Loss to the Exchequer, calculated at £.3, £.3¼, and £.3½ per Cent. on Amount of Principal Outstanding at end of each Financial Year, after allowing for Amounts of Interest received on certain Advances. (The Advances in question are those referred to in the Treasury Letter, dated 26th August 1875, printed as an Appendix to the Report on the Consolidated Fund Account for 1874-75, Paper 23, of 1876) - - 6

Appendix, No. 2.

Paper handed in by Mr. Blackwood:

Interest paid by the Post Office upon Sums Expended upon Telegraph Capital Account since the Acquisition of the Undertakings of the various Telegraph and Railway Companies, or, by the Government - - - - - - - - - - 8

Appendix, No. 1. - - - - - - - - -

PAPER handed in by Mr. *Welby*. - - - - - - - - -

STATEMENT of the Amounts Issued from the Exchequer by way of LOAN for the purposes of certain PUBLIC 1876; also the Approximate Loss to the Exchequer, calculated at £. 3, £. 3¼, and £. 3½ per Cent. on Amount of Advances. (The Advances in question are those referred to in the Treasury Letter, dated 26th August 1875,

	NATURE OF ADVANCE.	Acts.	Period of Advance.	Total Amount Advanced.	Total Amount Repaid.	
				£. s. d.	£. s. d.	
Gaols and Bridewells - - -		50 Geo. 3, c. 103 - 7 Geo. 4, c. 74 -	1812 to 1876 -	892,458 6 9	868,096 15 9	1
Lunatic Asylums (Building) - -		1 & 2 Geo. 4, c. 33, and 18 & 19 Vict. c. 109.	1829 to 1876 -	1,099,260 9 4	763,516 5 2	2
Ditto - - (Support) - -		6 Geo. 4, c. 54 -	- - -	3,265,398 17 2	3,099,777 18 2	3
Valuation of Land and Tenements -		7 Geo. 4, c. 62 - 6 & 7 Will. 4, c. 84	1830–31 to 1875	703,942 19 7	703,430 2 9	4
Police, Old Constabulary - - -		3 Geo. 4, c. 103 -	1823 to 1830 -	1,815,117 7 4	1,578,770 3 8	5
Building Schools - - - - -		53 Geo. 3, c. 107 - 3 Geo. 4, c. 79 -	from 1816 -	10,293 5 7	8,786 11 4	6
Tithe Composition - - - - -		4 Geo. 4, c. 99, and 2 & 3 Will. 4, c. 119.	1824 to 1844 -	279,451 2 7	51,724 6 6	7
Public Works, Employment of the Poor.		6 Geo. 4, c. 35 - 7 & 8 Geo. 4, c. 112	1833 to 1837			
			Ulster Canal -	120,000 – –	- - -	8
			Courtown Harbour			
			Cork and Ballyhooly Roads.	80,000 – –	57,200 – –	9
Commissioners of Wide Streets, Dublin		40 Geo. 3, c. 60 - 6 Geo. 4, c. 128 -	1801 to 1826 -	263,624 3 11	36,895 6 5	10
Relief of Trade - - - - -		1 Geo. 4, c. 39, and 3 Geo. 4, c. 118.	1822 to 1837 -	178,076 7 7	137,728 12 8	11
Dunleary Harbour - - - - -		5 & 6 Geo. 3, c. 62	1816 to 1836 -	218,769 4 7	73,514 10 9	12
In aid of Suitors' Fund, Court of Exchequer, Ireland.		6 & 7 Vict. c. 55 - 13 & 14 Vict. c. 51.	1845 to 1868–9	(*g*)126,491 10 2	559 6 3	13
			£.	9,052,883 14 7	7,379,999 19 5	14

Appendix, No. 1.

PAPER handed in by Mr. *Welby*.

WORKS in *Ireland*, and the Amounts Repaid, showing the Balances of Principal Outstanding on the 31st March Principal Outstanding at end of each Financial Year, after allowing for Amounts of Interest received on certain printed as an Appendix to the Report on the Consolidated Fund Account for 1874–75, Paper 23, of 1876).

	Amount of Principal Remitted.	Principal Outstanding on 31st March 1876.		Approximate Loss to Exchequer for Interest calculated at £. 3 per Cent. on Amount of Principal Outstanding at end of each Year.	REMARKS.
		Recoverable.	Irrecoverable.		
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1	1,928 5 9	22,433 5 3	- - -	198,100 – –	
2	12,183 – –	323,561 4 2	- - -	364,010 – –	No distinct record of the repayments in respect of the advances for "Buildings," as distinct from those for "Support" was kept up to 1840. The calculation of interest has been made therefore on the combined balance outstanding at end of each year.
3	- -	165,620 19 –	- - -		
4	499 18 3	12 18 7	- - -	49,150 – –	
5	236,347 3 8	- -	- -	- - -	As it has been ascertained and explained in Treasury Letter of 26th August 1875 (printed), that the full repayment of these advances was made in 1837, no calculation of interest is made in this case.
6	- -	1,155 18 11	350 15 4	900 – –	Interest has been calculated on the sum of 1,506 *l.* 14 *s.* 3 *d.* which has been outstanding since 1846-7 inclusive.
7	- -	227,726 16 1	- - -	309,480 – –	
8	- -	- -	120,000 – –	144,900 – –	
9	- -	- -	22,800 – –	8,650 – – (*a*) 20,988 – –	(*a*) This is the ascertained amount at £. 4 per cent. per annum (the specified rate) up to December 1874 only, as reported from Ireland.
10	- -	- -	(*b*) 226,728 17 6	(*c*) 279,300 – –	(*b*) The fund under which these advances were secured was abolished by Parliament in 1832. It is proposed to include this sum for remission in a Bill of the present Session. (*c*) This is the net amount of interest at £. 3 per cent. per annum on the balance outstanding, after giving credit for the sum of 116,277 *l.* 13 *s.* 4 *d.* actually repaid for interest on these advances.
11	- -	18,770 9 10	21,577 5 1	(*d*) 55,350 – –	(*d*) The first issues from the Exchequer in 1822 appear to have been more than repaid, a rebate of interest has therefore been made on the approximate amount of interest in respect of the second series of advances made in 1837.
12	- -	- -	(*e*) 145,254 13 10	(*f*) 186,700 – –	(*e*) The money was originally lent on the security of tolls and dues which were partly abolished by Act 1 Geo. 4, c. 26, and the remainder by Treasury Warrant of 4th November 1823; it is proposed to remit this balance by a Bill of the present Session. (*f*) This is the net amount of interest at £. 3 per cent. per annum on balance outstanding, after giving credit for 124,825 *l.* 0 *s.* 7 *d.* actually repaid to the Exchequer for interest on these advances.
13	- -	- -	(*h*) 125,932 3 11	(*i*) 48,280 – –	(*g*) Including 67,987 *l.* 17 *s.* 2 *d.* advanced in England. (*h*) By a Bill of the present Session it is proposed to remit this sum, inasmuch as the Stock standing to the credit of the Fee Fund of the Courts of Chancery and Exchequer, amounting to 175,982 *l.* 15 *s.* 3 *d.* (out of which the advances were to have been repaid), was paid over to the Exchequer under the Act 31 & 32 Vict. c. 88. (*i*) Interest calculated only up to passing of Act 31 & 32 Vict. c. 88.
14	250,958 7 8	759,281 11 10	662,643 15 8	1,665,808 – – (Approximate loss for Interest at £. 3 p' cent).	
			Approximate Loss for Interest at £. 3½ per cent. -	1,804,625 – –	
			Ditto - - ditto - at £. 3½ „ -	1,943,442 – –	

Appendix, No. 2.

PAPER handed in by Mr. *Blackwood*.

Appendix, No. 2.

INTEREST paid by the POST OFFICE upon SUMS Expended upon TELEGRAPH CAPITAL ACCOUNT since the Acquisition of the Undertakings of the various Telegraph and Railway Companies, or, by the Government.

	£.	s.	d.
Bonnelli's Telegraph Company	500	–	–
British and Irish Magnetic Telegraph Company	1,827	15	6
Isle of Man „ „	936	3	–
Jersey and Gurnsey „ „	2,159	14	4
London and Provincial	55	12	1
Roches Point Telegraph (Lord Fermoy)	1,233	4	1
United Kingdom Telegraph Company Undertakings	1,208	14	11
„ „ „ Extensions	1,140	–	–
Universal Private Telegraph Company	2,615	15	2
Wheatstone (Sir Charles), A B C Instrument Patents	688	2	2
Belfast and County Down Railway Company	162	12	2
Belfast and Northern Counties Railway Company	263	18	4
Cambrian „ „	200	9	–
Carrickfergus and Larne „ „	33	10	6
Dowlais Iron Company	56	10	10
Downpatrick, Dundrum, and Newcastle Railway Company	7	13	7
Dublin and Belfast Junction „ „	267	15	8
Dublin, Wicklow, and Wexford „ „	3,735	–	10
„ „ „ „ „ Costs	59	11	3
Irish North Western „ „	333	7	9
Lancashire and Yorkshire „ „	1,687	6	8
„ „ „ „ Costs	73	7	4
London, Chatham, and Dover „ „	534	–	9
Newry, and Armagh „ „	95	8	–
Seaham and Sunderland (Lady Londonderry's)	89	11	9
Somerset and Dorset Railway Company	13	–	10
TOTAL £.	19,978	6	6

General Post Office,
10 May 1876.

SECOND

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
3 *May* 1876.

207.

Under 2 *oz.*

THIRD

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
29 *June* 1876.

Friday, 11*th February* 1876.

Committee of Public Accounts nominated of—

Mr. Dodson.	Mr. Thomson Hankey.
Sir Walter Barttelot.	Mr. O'Reilly.
Lord Frederick Cavendish.	Sir Charles Mills.
Mr. Cubitt.	Mr. Seely.
Lord Eslington.	Mr. William Henry Smith.
Mr. Goldney.	

Friday, 24*th March* 1876.

Ordered, That the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, from time to time, to The House.

REPORT - - - - - - - - - - - - - p. iii
PROCEEDINGS OF THE COMMITTEE - - - - - p. v
MINUTES OF EVIDENCE - - - - - - - - - p. 1
APPENDIX - - - - - - - - - - - - p. 14

THIRD REPORT.

THE COMMITTEE on PUBLIC ACCOUNTS have made further Progress in the Matters to them referred, and have agreed to the following THIRD REPORT:—

CIVIL SERVICE APPROPRIATION ACCOUNTS.

1. IN reference to the first section of the Second Report of your Committee, it is stated on behalf of the Treasury, that a further Order in Council will at once be applied for to authorise any of the cases of increased pay to writers in the Customs which have not been covered by the Order already in force. Q. 710. 713.

2. A Treasury Minute has been prepared, and appears in the Appendix, on the subject of the date of record of payments by Sub-Accountants. Q. 711. Second Report of Committee, s. 2.

3. The old outstanding Accounts between the War Office, the Admiralty, and the Treasury Chest adverted to in the First Report of your Committee, Section 68, have been adjusted. There only remains a claim of the Treasury on the India Office, which, it is stated, is in process of settlement, the Account at issue between the two Departments having been reduced to a very small sum. Q. 714.

4. Papers relating to inquiries made by the Treasury, in consequence of recommendations offered by the Committee of Public Accounts in their Report, 1874, into the Audit of the Special Trust Funds of the British Museum, the University of London, and of the Charity Commission, appear in the Appendix. Q. 715.

NATIONAL GALLERY OF IRELAND.

5. Explanations offered by the Director and Accounting Officer of the National Gallery of Ireland, in reply to the observations of the Comptroller and Auditor General upon Vote 15, Class IV., Civil Service Estimates, appear in the Appendix.

CIVIL CONTINGENCIES ACCOUNT.

6. No settlement has been arrived at with the Dominican Government of the claim arising out of the detention of the "Telegrafo." Q. 718.

TREASURY CHEST ACCOUNT.

7. A Memorandum on the subject of the unsettled payment on account of Marines in San Juan in 1871–2, is given in the Appendix. Q. 720.

ASHANTEE EXPEDITION (VOTE OF CREDIT) ACCOUNT.

FORTIFICATIONS (DEFENCES LOAN, 1874–5) ACCOUNT.

MILITARY FORCES LOCALISATION ACCOUNT.

8. No observation arises upon the above Accounts.

ARMY APPROPRIATION ACCOUNT.

Q. 731—4. 9. Your Committee learn with satisfaction that the Treasury has at length determined upon a scheme for a Test Audit of the War Office Accounts, and has framed a Minute upon the subject. That Minute and correspondence relating thereto will be found in the Appendix to this Report.

10. It appears that the War Office have taken exception to some of the proposals made by the Treasury, but your Committee believe that the questions raised by the War Office will, on further consideration, be found to be theoretical rather than practical, and that the Audit Office and other departments interested may readily arrive at a good understanding in relation to them. Your Committee recognise that the introduction of the proposed Test Audit must be conducted with care, discretion, and mutual forbearance ; but they trust that all concerned will feel that a point has been reached when it becomes an imperative duty to avoid, as far as possible, allowing inter-departmental difficulties, and objections of theory or of detail, to delay the application or impede the smooth working of an audit of the Army Accounts similar in character (although limited in extent) to that which has been applied with beneficial results to the Accounts of other Offices of State and branches of the Public Service, the War Office and Admiralty excepted.

Q. 730. 736—740. 743—7. 11. The Comptroller and Auditor General informed your Committee that he cordially concurred in the suggestions of the Treasury, and was prepared to carry them into effect. He expressed fears that it would not be practicable to apply to the Accounts of the year 1875-76 a test audit to the full extent contemplated by the Treasury. He undertakes, however, that a substantial part of those Accounts shall be examined for the purpose of a Test Audit, and your Committee rely upon this undertaking being executed.

Q. 387—396. 12. In regard to a Test Audit of Naval Accounts, your Committee refer to the evidence taken by them on the Navy Appropriation Account. They are of opinion that an audit of that description is as desirable with regard to the Naval as to the Military Accounts.

Q. 764. 785—8. 860 13. Your Committee have directed their attention to the large amount (466,317 *l.* 12 *s.* 3 *d.*) appearing from the balance sheet appended to the Accounts under consideration (Army Appropriation Accounts, pp. 124—126) due to the War Office, on account of advances out of Army Grants for Regiments serving in India, and have made some inquiries of the officers of the departments concerned, and directed the notice of the Comptroller and Auditor General to the subject. The repayment of these advances to the War Office was the occasion of a Supplementary Estimate taken in March last.

783, 784. 14. The Vote in question belongs to the financial year 1875-76, the Appropriation Accounts for which will form the subject of the next Report of the Comptroller and Auditor General. Your Committee have therefore abstained from attempting any complete investigation of the question, and entirely suspend their judgment upon its merits.

15. Your Committee must, however, express their regret that the accounts of these advances should have been allowed to remain unsettled since the year 1870-71 ; they cannot but regard such protracted delay in the settlement of accounts as a source of mischief to the public service.

29 *June* 1876.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 21*st June* 1876.

MEMBERS PRESENT:

Mr. DODSON in the Chair.

Lord Frederick Cavendish.	Lord Eslington.
Sir Walter Barttelot.	Mr. Goldney.
Sir Charles Mills.	Mr. Seely.
Mr. Thomson Hankey.	Mr. William Henry Smith.
Mr. Cubitt.	

A Treasury Minute of the 20th March 1876, in relation to Army Audit, was handed in to the Committee by the Secretary of the Treasury.

The following Accounts were considered, viz.:

Civil Contingencies. Treasury Chest. Ashantee Expedition (Vote of Credit). Fortifications (Defences Loan, 1874–5). Military Forces Localisation, and the Army Appropriation.

Mr. *Reginald E. Welby*, Mr. *Charles L. Ryan*, Sir *William Dunbar*, Mr. *John Milton*, and Mr. *Thomas L. Seccombe*, were examined.

[Adjourned till Wednesday next, at Three o'clock.

Wednesday, 28*th June* 1876.

MEMBERS PRESENT:

Mr. DODSON in the Chair.

Mr. Thomson Hankey.	Mr. William Henry Smith.
Sir Walter Barttelot.	Lord Frederick Cavendish.
Mr. Seely.	Mr. Cubitt.
Mr. O'Reilly.	Mr. Goldney.
Lord Eslington.	

DRAFT REPORT, proposed by the Chairman, read the first and second time, and considered paragraph by paragraph, and *agreed to*, with Amendments.

New paragraphs added.

Question, That this Report, as amended, be the Third Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence, and Appendix.

LIST OF WITNESSES.

Wednesday, 21*st June* 1876.

	PAGE.
Sir William Dunbar, Bart; Mr. Reginald Earle Welby, C.B.; and Mr. Charles Lister Ryan	1
Mr. John Milton, C.B.	5
Mr. Thomas L. Seccombe, C.B.	12

MINUTES OF EVIDENCE.

Wednesday, 21st June 1876.

MEMBERS PRESENT:

Sir Walter Barttelot.	Mr. Goldney.
Lord Frederick Cavendish.	Mr. Thomson Hankey.
Mr. Cubitt.	Sir Charles Mills.
Mr. Dodson.	Mr. Seely.
Lord Eslington.	Mr. W. H. Smith.

THE RIGHT HONOURABLE JOHN GEORGE DODSON, IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1874-75.

Sir WILLIAM DUNBAR, Bart.; Mr. REGINALD EARLE WELBY, C.B., and Mr. CHARLES LISTER RYAN, called in; and further Examined.

Chairman.

710. (To Mr. *Welby*.) THE Committee took notice, in their Second Report, of a matter which arose upon Question No. 505, as to the increased pay which had been granted to certain writers, on the authority of the Treasury only, and the Committee recommended that it should be ascertained whether any subsequent Order in Council had authorised the increase of pay, and, if not, that steps should be taken to have the matter put on a duly authorised footing without loss of time; what has been done about that?—The Treasury have considered the paragraph in the Report to which you draw attention, and it is possible that some of the gentlemen in question may come under the Order in Council which is already passed, but it is not probable that that Order in Council will cover all the cases; and, in consequence of that, it is proposed to submit to Her Majesty in Council, next week, an Order which will cover any cases which do not fall within the Orders in Council already passed.

711. There was another point which was noticed in that Report of the Committee, arising out of Question 515; has a minute been prepared by the Treasury on the subject of the date of payment by sub-accountants?—A minute has just been passed upon the subject, which I am instructed to hand in. (*The same was handed in.*)

Lord *Eslington.*

712. Is it usual for the Treasury to apply for what I may call *ex post facto* Orders in Council to cover irregularities for which no authority under an Order in Council existed at the time the payments were authorised?—The Treasury admitted that an irregularity was committed by oversight in this case, and when that irregularity had been committed, and when their attention had been drawn to it by the Comptroller and Auditor General, there was only one remedy left to them, which was to reduce the irregularity to order by means of an Order in Council.

Lord *Eslington*—continued.

713. It is undesirable to create a precedent of that kind, is it not?—Decidedly.

Chairman.

714. There was one other point which arose out of Question 378, and which was noticed in the First Report of the Committee this year as it had been last year; that was with regard to certain old unsettled accounts between the India Office, the War Office, and the Admiralty; have those been settled?—It will be in the recollection of the Committee that when attention was called to that point this year I stated that a Departmental Committee had met and reported upon these outstanding claims. The Report of that Committee was substantially approved by the Treasury, and the result has been as follows: In order to close the Army and Navy Accounts, certain transfers from the Treasury Chest to Army Funds and Navy Funds have been made, while some of the charges having been ascertained to appertain to ordinary Navy and Army expenditure; and directions have been given for such items being included in the Appropriation Accounts of those departments. These adjustments may be thus summarised:—

	£.	s.	d.
"Original net amount of charges outstanding on the Treasury Chest Account -	15,846	16	1
"*Add*—Net amount of transfer from the Chest since made to adjust Army and Navy Accounts - - - - -	31,025	5	11
£.	46,872	2	–"

Sir *W. Dunbar*, Bart., Mr. *Welby*, C.B., and Mr. *Ryan*.

21 June 1876.

CIVIL SERVICE APPROPRIATION ACCOUNTS —*continued*.

Chairman—continued.

Therefore the relations between the Army and Navy Departments and the Treasury Chest are now adjusted. On the other hand, the balance reported by the Committee as due from Indian revenues amounted to,—

	£.	s.	d.
"On the second China War Claim - -	34,178	17	2
"On the third China War Claim - -	28,213	10	8
"Making together - - - £.	62,393	7	10"

Correspondence has since taken place between the Treasury and India Office respecting the repayment of this sum, from which it is gathered that a portion of the above amount will have to be withdrawn by the Treasury, inasmuch as some of the items would seem to have been long since accounted for to the War Office; however, a large balance remains to the debit of the Indian Revenues, in respect of which the Secretary of State for India has already made an offer to the Treasury to finally close these claims. That offer, I may state, amounts to about 40,000 *l.*; but the total amount that is required in order to make further reference to Parliament unnecessary is something over 45,000 *l.*, and the Treasury have represented to the India Office that since the settlement must be one of compromise, they request the India Office to let the compromise be of an amount to make further reference to Parliament needless. The Treasury, at the present moment, are waiting for the reply of the India Office to that proposal.

Mr. *W. H. Smith*.

715. The honourable Member for Chippenham asked you a question early in the year with reference to the Trust Accounts of the British Museum. I believe you wish to supplement your answer to that question?—Yes. The honourable Member for Chippenham, early in the inquiry before the Committee, called attention to the fact that the Committee had alluded

CIVIL SERVICE APPROPRIATION ACCOUNTS —*continued*.

Mr. *W. H. Smith*—continued.

to certain special funds belonging to the Briti Museum and the University of London, a the Charity Commission, which had attract the attention of the Committee some fe years ago. I was obliged to answer from m mory at the moment, and I stated that the had been reasons for maintaining those fun apart from the ordinary accounts of the Vote After that meeting of the Committee I look up the subject again, and I then observe that the Treasury had, on the motion of the Co mittee, taken up the question, and that they h corresponded with the British Museum and wi the University of London, and, in fact, had pr pared minutes stating their decision upon t case, which were directed to be laid before th Committee; but that so much of the inquiry related to the Charity Commission was reserv until the Treasury Officers of Accounts (M Mills and myself) had had an opportunity of co cluding a more extended inquiry, which we h been instructed to make, into the account branc of that office, and when that inquiry was finishe I am sorry to say that I omitted to notice th the direction of the Treasury had not been co plied with, and that those former minutes h not been laid before the Committee. I beg hand in the minutes dealing with all the thre cases. (*The same were handed in.*)

Lord *Frederick Cavendish*.

716. Will you explain to me a little mo clearly why this additional payment of 5,000 from the India Government will remove necessity for the interference of Parliament; it that this sum of 5,000 *l.* would have to be vote for that service, or is it that the sanction of Pa liament is required before the claim can be aba doned?—If the sum of 40,000 *l.* only was pa over, it would be necessary for an Estimate be laid before Parliament to make up the r mainder.

717. That Estimate would state the preci service for which it was wanted?—Yes.

CIVIL CONTINGENCIES ACCOUNT.

Chairman.

718. The Comptroller and Auditor General again draws attention to the debt due by the Dominican Government, arising out of the detention of the "Telegrafo"; is there any prospect of bringing that to a satisfactory conclusion?—In consequence of this letter which is quoted by the Comptroller and Auditor General in the Appendix to his Report, the Foreign Office wrot to their Minister in San Domingo, and instructe him to press upon the Dominican Government t bring this matter to a settlement; but I hav inquired at the Foreign Office, and I am in formed that no reply has been received to tha letter up to the present time.

Chairman—continued.

TREASURY CHEST ACCOUNT.

719. (To Mr. *Ryan*.) Has the Audit Office any observation to make upon this account?—I should like to make one observation with reference to the Treasury Chest balances. If the Committee will refer to the last page of the Account, page 16, they will see that there is a sum of 1,615 *l.* 17 *s.* 4 *d.* due on account of expenses of marines in San Juan in 1871-72, which has not yet been settled. That sum has now been outstanding for a considerable number of years, and we think that some notice should be taken of this outstanding balance. That is th only point that we should have noticed had w made a report upon this account.

720. (To Mr. *Welby*). Have you any obse vation to make upon that?—Not having ha notice of it, I have not had an opportunity seeing what the correspondence upon the matte has been. Perhaps the Committee will allo me to put in a memorandum upon the subject a future meeting of the Committee.

ASHANTEE EXPEDITION (VOTE OF CREDIT) ACCOUNT.

Chairman—continued.

721. (To Mr. *Ryan*.) The second paragraph the Comptroller and Auditor General's Report ys: "As regards the Navy, the total amount id (97,904*l.* 13*s.* 11*d.*) has been charged against e Vote of Credit, as there was a deficit on the avy Grants for the year 1874-75 in excess of at sum." Is that 97,904*l.* 13*s.* 11*d.* the exact nount that is payable on account of the Ashantee Expedition by the Admiralty?—Yes, it is; had there been any sum available as a surplus on the Navy Account, it would have been used towards the service; but as there was no available surplus upon the Navy Account, the whole sum due from the Admiralty was put against this Vote of Credit when the account was made up.

FORTIFICATIONS (DEFENCES LOAN, 1874-75) ACCOUNT.

722. (To Mr. *Welby*.) Does the Act under hich these loans are raised authorise the Treaury to sanction the application of a surplus on one head to meet a deficiency on another?—It does.

MILITARY FORCES LOCALISATION ACCOUNT.

723. (To Mr. *Ryan*.) Is this Account audited the Comptroller and Auditor General under e 29th Section of the Exchequer and Audit Act the same manner as the Account of the Fortiations Loans is?—No; it is audited under the ct authorising the raising of the money; the ct of 35 & 36 Vict. c. 68, provides that it shall audited by the Comptroller and Auditor Geral.

724. Then it does not come under the Act of 66 at all?—No, it does not come under the xchequer and Audit Act at all.

725. What kind of audit is it that is applied this account?—The Act does not give a ecific direction as to how the account is to be dited, but merely says that it shall be audited a public account, an appropriation account. We have audited it in the same manner, and to the same extent, as we audit the ordinary public accounts.

726. You have audited it in the same manner, and to the same extent, as you audit the Civil Service Accounts?—Yes.

Lord *Eslington*.

727. This account is stated to be an account of money raised and issued out of the Consolidated Fund, under the provisions of a certain Act; when, or how, is the Consolidated Fund repaid this advance?—The Act provides that the Treasury can raise the money by the issue of terminable annuities.

728. Then these sums of money do not form the subject of Votes of Parliament?—No.

ARMY APPROPRIATION ACCOUNT.

Chairman.

729. (To Mr. *Welby*.) I believe you have a linute, and some correspondence, to put in?—es. (*The same were delivered in.*)

Mr. *W. H. Smith*.

730. (To Sir *William Dunbar*.) Before we roceed to consider the Army Appropriation ccount, I wish to ask you a question with gard to the Treasury Minute which has just een put in, and which, I believe, has been comunicated to you; and with regard to the corespondence relating to a further audit of Army ccounts, because, although that correspondence as not officially communicated to you until esterday, I believe you have been in possession all the facts of the case substantially for some ys past; therefore I wish to ask whether you ve considered the suggestions which are made the Treasury letter for a further audit of the rmy Accounts, and whether you are prepared give effect to those suggestions, and whether u approve of them in your capacity as an ficer of the House of Commons?—I have carelly considered the suggestions of the Treasury, d I may say, briefly, that I cordially concur in em, and that I am prepared, to the best of my ility, to carry them into effect.

Chairman.

731. (To Mr. *Welby*.) I understand that the Treasury have determined that there shall be a Test Audit of the War Office Accounts, on the principle and in the manner generally which has been recommended by the Public Accounts Committee?—That is the conclusion at which they have arrived.

732. And that the test audit will be applied to the War Office Accounts which will next come under the inspection of the Comptroller and Auditor General?—The Comptroller and Auditor General will be asked to make his preparations without further delay, in order to give effect to the provisions of that Minute; but perhaps I may call the attention of the Committee to the last paragraph of the Treasury letter to the War Office, dated 15th June 1876. It is the last paragraph in the correspondence which has just been put in.

733. Then the Committee may expect that the next accounts of army expenditure which will be submitted to them will have been subjected to this test audit?—I think the Comptroller and Auditor General had better answer that question.

734. That is the intention of the Treasury?—

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Chairman—continued.

As soon as it can possibly be applied, that is the intention of the Treasury.

735. Do the Treasury anticipate that it ought to be applied to the next Army Accounts which will come before us?—I should prefer that the Comptroller and Auditor General should answer that question as to what the possibility of the case may be.

736. (To Sir *William Dunbar.*) May we expect that the next Army Accounts which will be submitted to us will have been subjected to this test audit?—The work to be done is a great and important work; the preparatory arrangements for it are necessarily a work of time; and although we may enter upon the duties imposed upon us by that Minute within the currency of the financial year, I am not prepared to say that we shall be able to give so full a report upon those accounts as possibly the Committee might expect from the mere fact of the matter having been referred to the Comptroller and Auditor General; it is a very important and a very laborious work. The first thing to be considered is what are to be the arrangements; in order to lay down and carry out those arrangements preliminary investigation will be necessary.

737. At all events, we may expect that a test audit to some extent will be applied to the next accounts of the War Office that are submitted to us?—I think I may promise that a commencement will be made; I presume that you did not mean that it was intended to apply that test to the accounts of the year 1875-76; probably you intended to refer to the accounts of the year 1876-77?

738. No, of 1875-76?—I fear that that would be impracticable.

Mr. *Goldney.*

739. What extent of examination of the accounts do you consider that this test audit will impose upon you?—The Treasury propose one-sixth.

740. The General Appropriation Accounts referred to you under the Statute, upon which your office are engaged now, are those of the year 1875-76, are they not?—Yes.

741. (To Mr. *Welby.*) With regard to the suggestion that the Comptroller and Auditor General should carry on a test audit to the extent of one-sixth, I should like to ask whether, on a representation from him that his staff would not allow, or that his time would not allow, of his conducting an audit to that extent of the accounts for 1875-76, or that in consequence of a part of the time having gone by there could not be a concurrent audit of those accounts, the Treasury would not be satisfied for the purpose of having some test that it should be applied to the extent only of one-twelfth or one-twentieth; is it open to the Comptroller and Auditor General to make a representation of that sort?—The Treasury would be most anxious to meet any suggestion of that kind coming from the Comptroller and Auditor General. In the view of the Treasury a very important object would be gained if, within a very moderate time after the commencement of next year, probably early in the sittings of this Committee, the Comptroller and Auditor General would have it in his power to lay before the Treasury, and through the Treasury before the Committee on Public Accounts, his views as to what is practicable, and the best way of carrying

ARMY APPROPRIATION ACCOUNT—*continued.*

Mr. *Goldney*—continued.

out the new duty imposed upon him; I think if anything of that kind could be arrived at it would be most valuable to be laid before the Committee as showing them what the Government considered the best arrangement.

742. If the Comptroller and Auditor General went to some extent into the accounts of the year 1875-76, he would be better able to say to what extent he could go into the accounts of the year 1876-77?—Certainly.

Chairman.

743. (To Sir *William Dunbar.*) We are now in the month of June, the Comptroller and Auditor General's Report is not made until the close of the year; the Committee may, I presume hope that a test audit, if not to the full extent which will be applied to the accounts of 1876-77, yet in some degree will be applied to the accounts of 1875-76?—I gave just now an intentionally cautious answer, because I did not wish to undertake more than I felt that I could reasonably perform. Three months of the year have elapsed; we have not a single officer, I may say, except those who are at present employed upon the Appropriation Accounts, who has any knowledge of the kind of test audit that should be applied to the Army and Navy Accounts. The first thing to be done is to get a staff, and I am not even able to say what number of persons it would be necessary to employ in order to give the Committee on Public Accounts the information they are so anxious to acquire; that will be a question of time. The whole of the Army Regulations, the Queen's Warrants, and all matters of that kind, will have to be considered and studied before, in fact, any officer can enter upon the examination of a single Account connected with the War Office. I am quite willing to do as much as I possibly can to meet the wishes of the Committee, but I cannot promise that any very considerable portion of the work can be done as regards the accounts of the year 1875-76, because I am bound to report upon them at the end of December. It is not as if the staff was in working order for that purpose; these persons have to be examined and they have to be appointed; with that view notices have to be given in the public papers that a certain number of offices are vacant in the Audit Office. Altogether it will probably be three months before I shall be in a position to undertake the commencement of the work.

744. Are we to understand, that if you were to turn some of your officers into the War Office now, they would not understand the accounts and would not be able to carry out a test audit of them?—In answer to that question I may say that I believe I am at the head of probably as competent a body of officers as exists in the public service; but this is entirely new work and I cannot venture to say on the part of any of them that they would be able to commence work of that kind on the instant, and that they are so fully qualified to examine these accounts that we should be able to give anything like a satisfactory report to Parliament before the end of December.

745. Are we to understand that we shall or shall not have some test audit applied to the War Office Accounts for the year 1875-76?—I say I will do my best, and if the Committee will point out any one account which they think ought

ARMY APPROPRIATION ACCOUNT—*continued.*

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) be examined out of the many connected with ie War Department, we will begin with that.

746. It is not for us to do that; we want to ave an assurance that some portion of the Army ccounts for the year 1875–76, will be subjected) a test audit?—I will undertake that a part of ie accounts shall be examined.

747. That part will be so far a substantial art, that it will amount to a certain extent to a est audit?—When I say a part, I mean a sub-antial part.

Lord *Eslington.*

748. Will the first intimation that Parliament ill receive of the cost of this operation be in the stimates of your office next year?—Yes.

Lord *Frederick Cavendish.*

749. Unless a Supplementary Vote for the dditions to your office has to be presented to arliament before next year's estimate?—Yes; ut I do not think that could well be done, because the extent of the work will have to be examined into, and the staff must be apportioned to the amount of the work to be done.

ARMY APPROPRIATION ACCOUNT—*continued.*

Lord *Frederick Cavendish*—continued.

Chairman.

750. I think you told the Committee, on some former occasion, that a complete audit of the War Office Accounts would cost 40,000 *l.*; is not that so?—No; there is a statement to that effect made in the Treasury Minute, but it was never made by me.

751. You never made any estimate of the cost?—I have never made an estimate of the cost of such an audit, because I have no idea myself of the amount of work that it would involve.

752. The Treasury have now suggested a test audit to the extent of one-sixth; have you ever made any calculation which would enable you to give an idea of what the cost of that would be?—I cannot say that I have made any sort of calculation; I have made a kind of rough estimate. Possibly it may cost from 5,000 *l.* to 10,000 *l.*

Mr. JOHN MILTON, C.B., called in; and Examined.

Chairman.

753. ON Vote 10 there is a saving under Sub-ead A. of 75,107 *l.* 15 *s.* 7 *d.*; the explanation f it is, that it "arises from the very favourable esult of contracts entered into during the year." he explanation adds, that "the price of bread as very low; does it mean that that saving as entirely due to the low price of bread?—es, so I understand it. This Vote is under the urveyor General, and that is the explanation e gives, that comparing his estimates with his ubsequent contracts, he found that the contracts ere so much more favourable than he anticiated that he was able to save 75,000 *l.* upon ose transactions for the year.

754. Will you please turn to Vote 12; at pages 0 and 41 there is an excess on Sub-heads D., G., nd I., and the explanation of that is that it is ue in part "to the execution of an urgent de-and on the part of the Government of India r a supply of 60,000 Snider rifles;" and it ould appear, from explanations appended to ub-heads D. and G., that those rifles were anufactured by the department and supplied) the India Office?—Yes.

755. But from the further explanation attached) Sub-head D., it would appear that these arms ere purchased; how were they supplied; were ey purchased and supplied to India, or were ey manufactured in the department and sup-lied to India?—Those on hand were supplied to ndia, and their place was immediately filled up y manufacturing Martini-Henry's at the Go-ernment factories; the rifles could only be issued om the army stock, subject to prompt replace-ent; we could not allow our stock of rifles to all down at all, and consequently we set to work anufacturing them at once to replace those we ad supplied to India.

756. You issued 60,000 rifles to India, and you upplied their place by others which you manu-actured?—Yes.

757. That is the explanation given under ub-heads D. and G., and then follows the ex-lanation under Sub-heads I. "Purchase and epair of Small Arms," which refers us back to).?—The excess on D. is explained thus: "This

Chairman—continued.

excess is owing mainly to two circumstances, one of which was the increased activity at the Royal Gun Factories in the manufacture of large guns, and the other the execution of an urgent demand on the part of the Government of India for a supply of 60,000 Snider rifles of the latest pattern, which could only be issued from army stock, subject to prompt replacement. This purchase received the sanction of the Lords Commissioners of Her Majesty's Treasury in letter dated 20th May 1874, as the value thereof would be repaid in course of the financial year, and be included in the amount deducted at the end of this Account as an Appropriation in Aid." I cannot answer this question fully without further reference, but I presume there were purchases as well as manufactures. However, I will make a note in order to give you the fullest explanation of it. Of course we get these explanations of excess or deficiencies from the Surveyor General. I will obtain information from him upon the subject.

Mr. *Milton*, C.B.

758. You will send us the information when you have obtained it?—Yes, I will do so without fail. I find that 15,000 were purchased, and 45,000 were manufactured by ourselves.

Sir *Walter Barttelot.*

759. I believe that the machinery at Enfield for the manufacture of Snider Rifles has now been broken up, and it has been replaced by the manufacture of Martini-Henry Rifles; consequently the department must have had to buy the whole of these Snider Rifles; is not that so?—No Sniders were made to replace the rifles sent to India; only Martini-Henry's were made.

760. Perhaps you will kindly ascertain, and state whether there is any machinery at Enfield now for the manufacture of the Snider Rifle?—I find that there is now no machinery at Enfield for making the Snider Rifles.

Chairman.

761. (To Mr. *Welby.*) With regard to Vote 13, on page 52, I observe that the estimate of expenditure upon these army buildings, although a considerable

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Chairman—continued.

a considerable portion of them are abroad, is more closely adhered to than the estimate of expenditure on the Civil Service buildings; can you offer any explanation of that?—I think there is a reason, and a satisfactory reason, which can be stated why there must necessarily, under the present arrangements, be a larger margin upon the votes for Civil buildings in Class I., than upon those now before the Committee under the War Department. That reason is that, in the case of the army one single vote comprises the whole expenditure upon army buildings; on the other hand, when we come to the Civil buildings they are divided, I think, in the current year and in past years into something like 23 votes. It will be noticed that the different sub-heads of the Army Votes can feed each other; if one runs short half a dozen can supply the deficiency; and so long as a margin is kept up on the total vote, individual works may be unestimated for, without the necessity of a further application to Parliament. But each Civil Building Vote must support itself, and have its own margin to meet emergencies; there is no power of applying a surplus on one Vote to meet a deficiency on another. The effect of this difference upon the relation between aggregate estimate and aggregate result is obvious. Perhaps I might be allowed to add that, taking the accounts which are now before the Committee, the expenditure upon Civil buildings is very much closer to the estimate than has been the case in previous years. I do not know whether the Committee would like to follow me through a few cases to show that.

762. I think that the difference between estimate and expenditure upon the Civil Service Votes in Class I., in the year, the Committee have under consideration now is, in a great part due, is it not, to the estimate for rates on Government property?—Exactly so.

763. The estimate for buildings has been more closely adhered to than in former years?—It has been very much more closely adhered to. I may point out that taking the Appropriation Accounts from 1868-69 to 1873-74, the net surplus of Class I. varied from 303,000 *l.* to 208,000 *l.*, omitting of course, the rate vote, which I am going to omit in the calculation for 1874-75. In 1874-75, the net surplus was only 135,000 *l.* odd.

764. (To Mr. *Milton.*) Turning to page 126, about the middle of the page, there appears to be a very large balance due on account of advances out of Army grants for regiments serving in India amounting to 466,317 *l.* 12 *s.* 2 *d.* That balance has been increasing for some years past, has it not?—Yes.

765. Has it been increasing at an even rate?—Yes, the expenditure on behalf of India has varied very little year by year.

766. It has been regular?—Yes.

767. Will you, if you please, explain how it comes that so large a balance has been allowed to remain due?—The balance is not due by India strictly speaking; it has been paid by India to the Imperial funds long ago. The settlements for the payments by India are always behind time, and, being of a large amount, the India Office makes advances to us. The India Office every quarter pays a large sum into the hands of the Treasury or the Exchequer, whichever is considered the more correct term, awaiting a final adjustment when the accounts of that year are agreed upon.

ARMY APPROPRIATION ACCOUNT—*continued.*

Chairman—continued

The accounts of the years since 1869-70, have never yet been agreed upon, and this sum represents the amount of the accounts awaiting adjustment. The money has long since been paid into the Exchequer, but it cannot be written off this account until the two offices, namely, the India Office and the War Office, have agreed upon the exact amount of the expenditure year by year.

768. Then is this balance not admitted by the India Office?—No; no balance has been arrived at with the India Office. This is the balance according to our records of expenditure on account of the India Office.

769. Then does not India recognise this charge?—India is awaiting the adjustment of that charge, having lodged the money in the Exchequer long ago.

770. But the statement here is, as you will see "Balance due on account of advances out of Army Grants for regiments serving in India?" —It is due in the War Office books.

771. Then has the money been lodged with you?—No, the money has been lodged with the Treasury. We understood that the money was awaiting our call from the Treasury. I may explain that the course is this: when the Chancellor of the Exchequer is making up his Budget he has to include as extra receipts what he expects to receive from India. That amount is founded upon the number of men serving in India, and is fixed by agreement between the Treasury and the India Office. The War Office considers that that agreement should have been made between the India Office and the Treasury, subject to the concurrence of the War Office. The course actually taken has been this: the Treasury asks the India Office, "What do you expect to owe to the Secretary of State for War at the end of the year?" They state the amount and they arrange to pay so much on account quarterly. We think that the transaction is not complete until the Treasury go on to the War Office and say, "The India Office propose to pay us so much, say, 500,000 *l.*; is that too much, or is that too little, and what does it consist of;" but that has not been done.

772. How comes it that this balance has been allowed to run on for so many years?—Because the balance must run on until it can be written off by agreement, writing off such and such a sum for one year, and such and such a sum for another year. We send in the accounts to the India Office and try to get an agreement arrived at.

773. But how comes it that so many years have passed without an agreement being arrived at?—Because the accounts of the India Office are still the subject of a difference between us from the year 1870-71; the matter has been referred to the War Office actuaries who are now engaged in making an elaborate inquiry into it but they have been so occupied with other matters which they have been directed to attend to first, that we have not been able to get their report for the year 1870-71.

Mr. *Thomson Hankey.*

774. Then six years have expired without a final settlement of the account; is that the case?—Yes.

Chairman.

775. Has India paid any money on account of this?—Yes.

776. What has become of it?—It has gone into the Exchequer.

777. Then

ARMY APPROPRIATION ACCOUNT—*continued.*

Chairman—continued.

777. Then is it waiting for you to draw for it?—No, we cannot get money out of the Exchequer, except by a Vote of Parliament. I was stating the course with regard to the fixing of the annual contribution or subsidy from India, and I expressed my regret that the Treasury did not consult us when they were fixing the sum to be received from the India Office. Had the Treasury consulted us when they were fixing the amount of 505,000 *l.* for 1870-71, the War Office would have said, "That is most reasonable; it is an exceedingly close approximation; but, mind, that sum does not all belong to the Exchequer; 405,000 *l.* of it is for voted services, and 100,000 *l.* is for non-voted services. You will find included in the Estimates a deduction for that amount, just as we always have with regard to the clothing and with regard to stores; and the money (100,000 *l.*) belongs to us at the War Office." It has been stated in Parliament that the Estimates for these last six years have been made smaller by this amount for unvoted services not having appeared. It is nothing of the sort; had the amounts appeared in subsequent years they would have appeared upon the vote by way of deduction as an Appropriation in Aid, therefore the final total of the vote would have been identical. But the Treasury did not consult us, and consequently they did not learn that the 505,000 *l.* paid by India in 1870-71, included voted services (Class A.) as well as non-voted services (Class B.). The amount relating to voted services, Class A., belonged to the Exchequer, but the amount relating to non-voted services, Class B., belonged to the War Office. We regret that we did not at the time call upon the Treasury to explain what was the basis of that contribution, but we have asked this year and not been told; therefore it might not have led to a different result if we had asked then. However, having ascertained from the India Office that they were paying much the same sums as before, we concluded that there was a suspense account at the Treasury on which we could draw as soon as we could give them a certificate that the amount was settled year by year with the India Office. This state of things went on so long, without our getting any settlement, that at last we were run aground for money, and were obliged to go to the Treasury *in formâ pauperis* and ask for money out of this fund, and it turned out last November that they had no money for us.

778. (To Mr. *Welby.*) It appears that the Departments have been at cross-purposes about this sum?—Entirely so.

779. The money, instead of being in hand to repay the War Office, has been spent?—It has been paid into the Exchequer.

780. As part of the Revenue?—Yes. I think perhaps I might make the matter a little clearer to the Committee, if I went back a year or two and pointed out the arrangements that were made in 1862, upon which the whole of this question really hinges. Up to 1862 the War Office had taken the sums which were due by India, on account of regiments that were serving in India, in diminution of the Army Estimates laid before Parliament; and in consequence of that, the effective charge for regiments serving in India did not appear upon the Estimates. In 1862, a change was made in that respect, and the gross charge was put upon the Estimates and brought under the knowledge of Parliament, and of course

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on the other hand, the sum recovered from India as due on this account, was paid into the Exchequer as extra receipts. The misunderstanding which has led to this irregularity, arose from the fact that the Treasury were not aware of an alteration made by the War Office, whereby a certain portion of these charges was no longer borne upon the Estimates, and on that account they were not aware that the sum now under the consideration of the Committee was being provided for year by year by the War Office, out of moneys in hand, and that this balance was thus accumulating.

781. Then, as I understand it, without going into the merits of the question, the misunderstanding lay between the Treasury and the War Office?—Yes.

782. The India Office have performed their part in paying the amount?—Yes, exactly. (Mr. *Milton.*) Yes.

783. (To Mr. *Welby.*) A Vote has been taken in Parliament for the amount this year?—Yes, a Vote for 500,000 *l.* (Mr. *Milton.*) For last year, 1875-76.

784. (To Mr. *Welby.*) Then I presume the amount will appear in the accounts for next year, which will be under the cognisance of the Comptroller and Auditor General?—Yes.

785. (To Sir *William Dunbar.*) Have you at all noticed the growth of this balance from year to year?—My attention was not called to it by my officers.

786. Would it not come under your audit in any way?—Had it been brought to my attention, I think I should have noticed it; it has, however, never been considered as part of the duty of my department to question the amounts of the War Office balances.

787. But in the regular course of your audit, you would not have noticed it?—No; it is a question of administration as to which the Audit Office does not concern itself. The amount of the balance which a department has in its hands is a matter upon which the Comptroller and Auditor General can express no opinion as to whether it is more, or whether it is less than is necessary for public purposes. (Mr. *Milton.*) I am bound to state to the Committee that every shilling of that balance was built up under the signature of the Audit Officers. As I spent the money, every shilling of it was passed to the India Office Account under the signature of an officer acting under the Comptroller and Auditor General; of course, when I have spent the money he must see it appropriated in some way or other.

788. (To Sir *William Dunbar.*) Supposing the test audit had been in operation, would you have been more likely to have noticed this largely increasing balance than in the present state of things?—If a detailed audit had been in operation the probability is that I should have noticed it; the certificate, however, under my signature is confined exclusively to the Appropriation Account, and does not embrace the balance sheet. (Mr. *Milton.*) I am compelled to point out to the Committee that this was a question solely of appropriation; therefore 50,000 examinations of authority would not have touched it; I have passed this sum to the India Office Account under the plenary powers of the Comptroller and Auditor General to approve or disapprove the appropriation; therefore no further test audit authority could possibly have affected this. In passing these sums in my books to the India

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Office Account instead of to the vote, the Auditor acted in his capacity of Appropriation Auditor with plenary powers as to allotment. I am anxious to bring this before the Committee, because the last Treasury letter of 15th June instant (to which letter the Secretary of State strongly objects) instances this as one matter that would have been affected by a test audit; I wish, therefore, to show how the fact really is in that respect.

Mr. *W. H. Smith.*

789. You refer to the fact that this account commenced in 1870, and say that you were under the impression, up to November last year, that there was a sum of money at your call in the Treasury Chest or elsewhere, to meet your demands; was there any alteration of the Treasury practice in 1870?—Might I ask how I can know the Treasury practice? I am afraid I cannot answer the question in that form.

790. Then I must put it somewhat in the shape of a narrative. As I understand the matter, these are charges which have always been met by the War Office since 1862, on behalf of India?—Yes, and voted. They have been voted services.

791. And the Treasury have received this money since 1862, and dealt with the money as extra receipts, and it has gone into the Exchequer?—Yes, sooner or later; not at once.

792. How was it that if the money had been voted up to 1870, and the War Office had never expected to receive that money up to 1870, the War Office expected to be able to call for that money separately from 1870 to 1875?—For this reason, that the War Office understood that the Treasury were quite aware that they could only pay into the Exchequer their receipts on account of voted services. When the service is not voted, the expenditure takes the form of an advance, and the amount paid for it is not paid into the Exchequer. In the Estimates for 1870–71, Parliament was told, in five different places, by a deduction from the Estimates, that a certain portion would become unvoted services. Those Estimates the Treasury concurred in entirely. Here is the explanation issued to Parliament in 1870 (*pointing to the Estimates of* 1870–71), stating that of the apparent amount of saving 67,000 *l.* was owing to the pay of colonels, which was no longer voted. When the India Office paid over that sum of 505,000 *l.*, they knew they were paying for the colonels. The India Office knew exactly what it was paying; the War Office knew exactly what it was spending, but the Treasury did not know what it was receiving. That was the reason why we expected that the money was still at the Treasury, standing to our account.

793. We understand that a mistake has been made; I only want to know how it arose?—I think it has gone a little further than that. I think it has been stated in the lobbies of the House of Commons that a great financial scandal had been discovered at the War Office like that in the case of the Post Office Telegraphs a year or two ago, and I have been treated accordingly in the other public offices. I have been asked what I have done with the 500,000 *l.* that I had made away with. Therefore I am anxious to show what the origin of the blunder has been, and to prove that not only what we have done is not an irregularity, but that it is continuing at this very moment, and continuing with the sanction of the Treasury. The course we have pursued during the last six years is the course which has been pursued from the 1st of April to the 21st of June, this day, and will be continued to-morrow and the next day, because we can do no otherwise, and the Treasury have consented to it. We have written to the India Office a letter telling them of the circumstances, but they have declined to pay us the amount of the unvoted services, stating that they have already settled with the Treasury for it in a quarterly payment of 100,000 *l.* We have asked the Treasury why they agreed to that sum, and they have not answered us. Therefore, although I regret that we did not ask the Treasury for a like explanation years ago, I am not sure that we should have been told if we had asked, because this year we have asked and have not been told.

ARMY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

794. I will not pursue the matter further now because, no doubt, it will come up for inquiry next year; but I see on your Estimates every year there is an approximate amount to be paid into the Exchequer as extra receipts during the year?—Yes.

795. I suppose this item of 100,000 *l.*, including the 67,000 *l.* of which you speak, is included in the item of 300,000 *l.* of extra receipts for non effective services?—Not one shilling of it. That Estimate gives a statement of what sums are expected to be paid into the Exchequer to meet voted services. The same Estimates stated that these were not voted services.

796. Then, is it your statement that the Treasury have received an amount from the India Office year by year in excess of the sum which you have taken in reduction of the gross charge for army services?—Greatly in excess. On the two years for which we have given in our bill to the India Office, after taking the voted services and the unvoted services also, there still remains 9,000 *l.* owing to India on final adjustment.

797. Have the War Office had any information from time to time of the amounts the Treasury have received?—Yes, we have in the Finance Accounts, but they do not at all agree with the amounts paid by India.

798. Do you say that the Finance Accounts do not agree with the amounts paid by India in the year?—Yes, they do not. The sums paid are not brought into the account of the year. I can show you sums received in March that were not brought to account in that year but kept till the next year. That being so, how could we compare what we expected with what the Treasury received. We could not do it. Therefore we had a right to suppose that there was a Suspense Account at the Treasury.

799. Are we to understand that the War Office had no information of the amounts paid to the Exchequer from year to year?—I say we had no information from the Treasury as to what had been agreed upon for the India Office to pay, but as to what was paid we had the facts appearing in the triennial Return, at page 4, of the Estimates every year.

800. You allege, if I understand it rightly, that the sum estimated to be paid into the Exchequer during the current year on your Army Estimates, has never included the sum which has been by the Exchequer in respect of these unvoted services?—Never; that is due to

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ARMY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

our ledgers. In 1873 the India Office paid 203,000 *l.* on the 31st of March 1873. That sum did not come into the Finance Accounts until the next year, although it was paid in the year 1872–73. What I am anxious to show is that we had ground for thinking that there was a suspense fund at the Treasury for our unvoted services.

801. (To Mr. *Welby.*) Will you state to the Committee the system which has prevailed for many years with regard to the receipts of this money from the India Office; what information do you get which you give to the Chancellor of the Exchequer, and what information do you give, when asked for, to the War Office, in order to enable the War Department to place this sum to the credit of their Estimates to show the net charge for Army Services for each year?—In February every year, it is my duty to collect the information out of which the Chancellor of the Exchequer may frame his Estimate of Miscellaneous Revenue in the ensuing year. For that purpose it is necessary for me to write round to all the different departments which collect money payable into the Exchequer as Miscellaneous Revenue, and, from the answer which I receive, to build up an Estimate and put it before the Chancellor of the Exchequer. Among others I write to the India Office, and I ask them what amount they will be prepared to pay into the Exchequer during the ensuing year. I may just point out that this letter does not amount to a discussion between the Treasury and the India Office; it is a mere request to the India Office for information as to this amount. As has been explained to the Committee, for the last five or six years there has simply been a payment on account by the India Office, because the principle of payment was in discussion between the War Office and the India Office, and no definite settlement was therefore possible. Upon the receipt of their answer I always insert the sum which is stated therein in the statement laid before the Chancellor of the Exchequer, and I should not of necessity call attention to it unless there was some great difference in the amount. We knew that it was only a payment on account, and I never did ask a question upon it; I merely inserted it in the Estimate which I laid before the Chancellor of the Exchequer. That is the amount of information that the Treasury had upon the subject.

802. Then did you give any information to the War Department as to the amount expected to be paid by India during the coming year; was there any agreement between the accounting offices as to that sum?—I did not communicate with the War Office upon receiving that statement from the India Office. Later on in the year the War Office used to communicate with us, with me, I may say, and we forwarded to them the information as to the contribution from the Indian revenues, in compliance with their request. That was the amount of communication which took place between the two departments. (Mr. *Milton.*) That last communication was in the following December, and was for the Estimates of the next year; it was part estimate and part fact; we never had in any one year the amount which the Treasury expected or which the Treasury actually received. (Mr. *Welby.*) I may add that we gave the War Office whatever we received from the India Office. (Mr. *Milton.*) We merely had that which is to be found at page 4 of the Estimates for the ensuing year.

ARMY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

Lord *Frederick Cavendish.*

803. As I understand you, you consider that these payments by the India Government should have been regarded as Appropriations in Aid, whereas, they were regarded by the Treasury as Exchequer Extra Receipts?—Yes; the Treasury misapplied the money, but in a way which I presume would not be greatly censured by this Committee, namely, they paid it into the Exchequer.

804. Is it usual for Appropriations in Aid to be paid through the Treasury, or direct to the department? — Appropriations in Aid are, in general, paid direct between the two departments.

805. Not through the Treasury?—Not through the Treasury.

806. Have you ever known any case in which an Appropriation in Aid has been paid through the Treasury?—No, certainly not; but the payments by India for the pay of officers and men have always been treated specially. The Indian payment is the only Exchequer Extra Receipt that does not come through our books, and the Indian Appropriation in Aid has followed suit.

807. But you thought, in this particular case, that this money was being so paid?—This particular case was treated as being like an Appropriation in Aid, but it was not an Appropriation in Aid.

808. You consider that it ought to be treated like an Appropriation in Aid?—So far as this, that the Estimates, approved by the Treasury, are based upon it; but the India Office, having proceeded in making their contribution upon the old system of 10 *l.* per man, they were not in a position to make any other payments except that to the Treasury; and this sum was so far treated differently from other Appropriations in Aid that it was actually paid in advance (perhaps your Lordship was not aware of that fact) because it would be so long before the claim could be sent in. Other Appropriations in Aid are paid not in advance, but upon the claim being sent in; and you will see that we should not, on those terms, have had the money from the India Office up to this day.

Chairman.

809. As I understand it there was a dispute between you and the India Office as to this money, and you considered that the Treasury were holding the stakes, as it were?—Yes; at this season of the year that is an appropriate way of expressing it, and I greatly regret that we have not been able to obtain an early settling day. When, in November last, we asked for this 300,000 *l.* on account, coming to the Treasury, as I said before, *in formâ pauperis,* and learnt that they had paid our money into the Exchequer, we suggested to the Treasury that nothing further was necessary but to divert to the War Office, instead of to the Exchequer, the sum of 335,000 *l.*, which was then still due by the India Office for that year's services. We were met by the answer that that was unconstitutional, but I beg to point out that it has been the regular Treasury practice. The Committee will observe that these payments are made in advance by the India Office, subject to subsequent adjustment, and when that adjustment takes place it may be found that something more

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ARMY APPROPRIATION ACCOUNT—*continued.*

Chairman—continued.

is due by the India Office, or it may be found that there is a balance that ought to be paid back to the India Office. What has been the Treasury practice? In the two years, 1868 and 1869, when there was a balance in favour of India, did they come to the House of Commons for a vote for that balance? Nothing of the sort. They most wisely abated it from the incoming Indian subsidy of the next year, and it was adjusted in that way. We asked the Treasury to do the same thing in this case, but it was refused as unconstitutional. And, moreover, in 1868, a sum of 120,000 *l.* was included in the account for furlough pay, and the War Office had intended then to have altered the 10 *l.* a man system, but they were unable to carry it out, and, on application being made to the Treasury for the War Office to receive this 120,000 *l.*, the Treasury instructed us to apply to the India Office to divert that amount from the agreed-upon subsidy; that was done, and the account was settled accordingly without any suggestion of a financial scandal.

Lord *Eslington.*

810. We understand that the basis of this unadjusted account is the stipulated payment from the India Government to the Home Government of 10 *l.* per man in respect of soldier's stationed in India?—No, that was the old plan; what was called the capitation rate; but that was put an end to in 1870. These sums were clear, direct charges, the pay of colonels, the pay of men at Netley, and all that. There was no need after that year to ask your honourable House to vote anything for these charges. In the first year, the year of transition, they were abated on the face of the Estimates, and they have ever after been omitted from the Estimates, and made a matter of account between the two offices.

811. The payments are made in the shape of advances by the India Government?—They are made in advance.

812. Does the information upon which the Indian Government bases its estimates of what is due to the Home Government emanate from your office?—No, nothing of the sort.

813. Where does it come from?—We are ignorant of it; it was agreed upon between the India Office and the Treasury. The Treasury never referred to us to ask us "Is it too much, or is it too little, or what does it consist of?" I may say that no Office in the world is fairer in its transactions than the India Office; but, if the India Office had offered 400,000 *l.*, instead of 505,000 *l.*, that lower sum would, as far as I know at present, have been accepted by the Treasury.

814. What possibility is there of any regularity in keeping this account as long as the settling of this amount is left to a department, which is not responsible for the supply of the soldiers or anything else?—It depends upon the fairness of the party offering to pay. The question is put to them, "How much owest thou?" But we maintain that the creditor should have been asked his views, as well as the debtor.

815. Do not irregularities, or at all events does not a necessity for adjustment arise in this way, not unfrequently that men are retained in the depôts at home, who under the arrangement ought to be stationed in India; is not that the case?—There is no irregularity in keeping men at home.

ARMY APPROPRIATION ACCOUNT—*continued.*

Lord *Eslington*—continued.

816. But as I understand it, the India Government pay in advance for these men?—The India Government pay in advance, because the accounts will be a long time in being settled. When the settlement comes they pay so much per head for each man, who walks across the plank to go to India.

817. Supposing they pay for more men than are actually stationed in India, that would necessitate a repayment to them?—It does not necessitate a repayment, only an adjustment. In 1868 we admitted a balance due to India of 48,000 *l.*, and we allowed them to divert that amount from their incoming subsidy in a subsequent year; or rather the Treasury allowed them to do so.

818. Will not some such adjustment be necessary before all these accounts are finally closed?—Yes, certainly, an adjustment must be arrived at. In the meantime we made the public safe by getting the money in advance, but unfortunately the Treasury did not keep any of it for us for the Unvoted Services; but they paid the whole into the Exchequer.

819. Can the Treasury be in a position to settle this amount of themselves without reference to you?—I should have thought not.

Mr. *W. H. Smith.*

820. There are a few figures in your Estimates for 1874-75 to which I wish to call your attention; you see that the "approximate amount to be paid into the Exchequer as extra receipts during the year," adds up in 1873-74 to 1,185,000 *l.*, and in 1874-75 to 1,191,500 *l.*?—Yes.

821. And there is this note on page 2, "These amounts are inclusive of Army Receipts credited to the Exchequer through the Finance Accounts. (*See* page 4.) The sum passed to the credit of the Exchequer through the books of the War Office for the year ending 31st December 1873, amounted to 761,539 *l.*"?—Yes.

822. The balance of that sum, I suppose, made up the 1,185,000 *l.*, did it not?—I do not know at all; very probably it did. This is simply a statement of the fact that the Exchequer did receive during the prior year (1873-74) 761,539 *l.* through our books.

823. And the remainder was paid into the Exchequer by the India Office?—We only know by the Finance Accounts what the Exchequer received.

Mr. *Goldney.*

824. You do not know the fact that the India Government paid it over?—No; we only knew by the Finance Accounts that the Treasury admitted that they had paid over so much to the Exchequer, but whether that was all that was received during the year or whether it was all that was due during the year we could not say.

Mr. *W. H. Smith.*

825. But as a matter of fact (I am drawing no inference) you have taken credit in your Army Estimates for the amounts paid into the Exchequer in respect of those services, have you not?—No, not in our Army Estimates; the column you refer to applies to a previous period.

826. The fact stated applies to a previous period, but the Estimate applies to a coming period?—Yes.

827. On

ARMY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

827. On the same basis?—No; it is a basis that changes every day.

828. My belief is that your figures on page 3, include the sum which is now in dispute?—No, they do not, not a single shilling.

829. Your Estimates for the year 1874–75 contain a statement that 1,185,000 *l.* was paid in during the year 1873-74, and that that includes a sum of 761,539 *l.* passed directly through the books of the War Office to the Exchequer; that balance is shown in the Finance Account at page 4, and was received from India; that balance received from India included the payment for the services which formed the subject of this Suspense Account; and therefore you have, I believe entirely inadvertently, taken credit in your Estimates, year by year, in reduction of the charge for Army Services, for a sum of money which you say should have gone direct to you, and which did not form the subject of a Vote; in other words, you failed to provide for the amount by Vote, and you took credit for the payment to be made by India in reduction of the gross charge for Army Services for that year?—Not one single farthing of it; nobody could draw the Estimates on that principle. Will you allow me to show you where I think the fallacy of your view is; it is this: you think that this last column, on page 3 of the Estimates, is a statement corrected according to the facts which transpired in the ensuing 12 months. You say it contains a statement of what was paid in during 1873–74; it does nothing of the sort. It is merely a reprint, for the purpose of comparison, of the figures which we printed 12 months before. That being so, how could we in our Estimates presented in February state what had come in in the following December? how could we, in Estimates laid before the House of Commons in February 1873, state as a fact what had been paid in up to December 1873?

830. Then what is the meaning of the footnote on page 2?—It is information, as far as we could afford it, from our books. We give the information up to the latest moment that we can, but we do not alter our figures of the prior year, which are given simply for the purpose of comparison in the House of Commons. The House of Commons has required us for years past to repeat each year the figures of the year before, in order that the House may be able to make a comparison at once between the last Estimates and the new Estimates.

831. Let me draw your attention to the very strong statement in the footnote; you say this: "These amounts are inclusive of Army Receipts credited to the Exchequer through the Finance Accounts; see page 4"?—That means page 4 of the Estimates.

832. The note goes on to say, "The sum passed to the credit of the Exchequer through the books of the War Office for the year ending 31st December 1873, amounted to 761,539 *l.*"?—Yes.

833. Then I must ask the question whether the statement in page 2 is correct, whether they are inclusive of Army Receipts credited to the Exchequer through the Finance Accounts?—Of course they are; what we print in the last column of page 3 is what we gave as an estimate twelve months previously. In that column we state the amount to be recovered from India, and paid to the Exchequer for 1873–74, as 360,000 *l.* approximately. But the sum accepted by the Treasury

ARMY APPROPRIATION ACCOUNT—*continued.*

Mr. *W. H. Smith*—continued.

from India, and paid into the Exchequer that year, was 400,000 *l.* Clearly, 400,000 *l.* could not have been an advance on account of, or a part payment of, 360,000 *l.*; in fact, it included about 70,000 *l.* that should have come to the War Office.

Mr. *Goldney.*

834. On page 120 there is the detail of that very sum, 761,539 *l.*?—Yes. In the Transition Estimates of 1870–71 we printed the Unvoted Services as a deduction; afterwards they were dropped from the Estimates.

Mr. *W. H. Smith.*

835. Will you turn to page 4; you will see, "Extra Receipts, Exchequer, from the 1st April 1872;" that was an actual statement of fact, "to the 31st March 1873, as per Army Accounts, 674,794 *l.* 2 *s.* 6 *d.*"?—Yes.

836. And "From the 1st April 1872 to the 31st March 1873, as per Finance Accounts, 996,372 *l.* 15 *s.* 3 *d.*"?—Yes.

837. Did that 996,372 *l.* 15 *s.* 3 *d.* include this sum of money?—Yes, we understand now that it did.

838. Did you not understand that before?—No, we always understood that you had got that money in hand for us.

839. Then your statement of the expenditure on the Army for the year 1872–3, which you represented to be 12,791,366 *l.*, ought to be increased by 290,000 *l.*?—Yes, and to that extent our statement is against ourselves.

840. Surely it is in your favour?—No, not so. The object of that statement is to show how pretty and small the Estimates are for the year to which the statement is attached, when compared with the previous Estimates; therefore the larger the deductions from the previous year, the smaller the net expenditure for that year, and the worse for us, the comparison with the Estimates of the current year then laid before the House. Consequently, we have charged ourselves too much; we have not taken credit for too much.

Lord *Eslington.*

841. Suppose these payments by the India Government were made direct to the War Office, and credited in your books as extra receipts, it would be impossible that these arrears and these deferred adjustments could take place, would it not?—No; the adjustments would be as long delayed as now, but the balance would be much smaller. And in that view this large balance of 466,317 *l.*, that has been objected to, is rather commendable than objectionable, because it brings to the notice of this Committee what large sums remain still unadjusted. Whereas, if the net balance only had been shown, it would have been a very trifling affair.

842. It would be much clearer to Parliament what the exact state of the account was, would it not?—Yes; and for that purpose I wrote, in April of this year, by direction of the Secretary of State for War, to the India Office, and requested that they would, with regard to these sums, make a direct payment to us. With reference to what was pointed out by the noble Lord, just now, as to the difference between the course pursued with regard to this, and with regard to other Appropriations in Aid, the reason was that we wanted the money in advance, knowing that

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ARMY APPROPRIATION ACCOUNT—*continued.*

Lord *Eslington*—continued.

it would be long before we could send in the bill. We wrote, asking the India Office to pay us 20,000 *l.* a quarter. They answered, "We have already included this in a sum of 400,000 *l.* for the year, agreed upon with the Treasury." We then wrote to the Treasury, and asked them to tell us upon what basis they had fixed upon the 400,000 *l.* this year; but we have received no answer to that letter.

843. In consequence of this sum of money being paid direct to the Exchequer, it has become an impossibility for you to estimate with any accuracy, or to estimate at all, the Appropriations in Aid which will arise from this source?—No, we estimate it beforehand. We estimate as closely as we can what number of men we shall send to India.

844. But as far as the actual payment is concerned you know nothing whatever about it?—We know nothing whatever about that.

Mr. *W. H. Smith.*

845. You speak of a sum agreed upon between the Treasury and India; I should like to ask you whether you have reason to believe that there is anything in the nature of negotiation or agreement upon that subject?—I understand the course to be that which was stated just now by Mr. Welby, namely, that a note is addressed by him to the India Office, saying, "What are you prepared to pay," and the sum they mention is accepted; I do not say that it is agreed upon; that sum is accepted, and I ask the Committee to inquire from the Treasury upon what basis they have agreed upon 400,000 *l.* for these payments. The Secretary of State has asked the question, and he has not been told.

Mr. *Goldney.*

846. As I understand it, this amount is a statement of the balance in your ledger?—Yes.

847. The India Office have never gone into that question so as to say whether it is right or wrong?—No. We have sent on the accounts to the India Office only for the first two years, and they are not yet agreed to.

848. They have not said that it is right or wrong; they merely say, we have paid the money into the Exchequer?—Yes; the India Office knew exactly what they were doing when they paid the money, and the War Office knew exactly what they were doing when they were spending the money, but the Treasury did not, as I have said before, know what they were doing when they received the money.

ARMY APPROPRIATION ACCOUNT—*continued.*

Mr. *Goldney*—continued.

849. As to the cross accounts you have with other departments, such as the Board of Trade and the Admiralty, do you adjust them yourselves?—Yes, we do; we send in the bill as soon as it can be made out; but as the account for these payments in the case of India is so long in being made out, we get the money in advance.

850. All the other departments with whom you have cross accounts, settle with you direct instead of going through the Treasury?—Yes; delay in those cases is of no great importance, because on both sides the monies come out of the Imperial revenues, but it is not so in the case of India.

Mr. *Thomson Hankey.*

851. Is it not a fair inference that as the result of this want of settlement of accounts between the War Office and the India Office and the Treasury, the Chancellor of the Exchequer has frequently, if not regularly, for some years past, taken credit as expected receipts for the year for sums of money due from the Indian Treasury, which may never be found to be due, and which, if not due, will never be paid?—Certainly.

852. That is a thing which, if the Indian Government had settled the accounts annually with the Treasury, could never have occurred?—I do not agree to that, because the statement of the Chancellor of the Exchequer is, like our Estimates, prospective. He states that he expects to receive so much, and that expectation may be right or wrong by some thousands of pounds; but there is no doubt that, owing to the want of understanding with the War Office, the Chancellor of the Exchequer has, year after year, stated his expectations at a very much larger amount than was warranted.

853. Do you consider that this doubtful state of accounts is due to mistakes by the Treasury, by the India Office, or by the War Office?—I think, with regard to the India Office, no mistake was made at all. Nothing can be clearer than the way in which they have made their payments. With regard to the War Office, we have to regret that we did not at the time ask the Treasury to explain what they were taking the money for, and upon what basis the India Office had agreed to pay. I hope the honourable Member will excuse my saying how much I consider the Treasury to blame in the matter.

Mr. THOMAS L. SECCOMBE, C.B., called in; and Examined.

Chairman.

Mr. *Seccombe*, C.B.

854. YOU are the Financial Secretary to the Secretary of State for India in Council?—I am.

855. You have heard the evidence which has just been given; do you wish to make any statement upon it?—Not any.

Lord *Eslington.*

856. (To Mr. *Milton.*) At page 7 of the Appropriation Accounts, there are a certain number of accounts which are described to be accounts excluded from the Parliamentary Account of 1874-75. I pass over the first five, which are Admiralty claims, because they have been returned to the Admiralty for amendment. Then

Lord *Eslington*—continued.

I come to a small item of 193 *l.* 10 *s.*, which is an account dated February 1873, and consequently relates the expenditure, I presume, incurred in the financial year 1872-73; it is for shot. I want to know why that account has remained so long not examined, or if examined, why it is not included in the Parliamentary account rendered for the year 1874-75?—I am not able to say; I have no doubt that questions arose upon it, and it has been passed backwards and forwards between the two departments, and it is not yet finally adjusted.

857. There is another small item to which, I presume, the same answer would apply, an account for

ARMY APPROPRIATION ACCOUNT—*continued.*

Lord *Eslington*—continued.

d stores, dated September 1873, amounting 96 *l.* 15 *s.* 6 *d.*?—If your Lordship will accept same answer, it is so.

358. It is an apparent irregularity that these counts should have remained unincluded in the rliamentary Account?—Yes, it is so; it is a tter of correspondence, and remains to be tled between the two departments.

359. These accounts may relate to expenditure ich has been incurred at distant stations?—s, that is the case; the storekeepers, in making t their accounts with the Admiralty, find sums luded which ought to be charged against the ar Office; it is not till that is discovered that claim is made against the War Office.

ARMY APPROPRIATION ACCOUNT—*continued.*

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Chairman.

860. (To Sir *William Dunbar.*) Your attention having now been called to this balance which has been the subject of dispute between the two departments, and to the fact of its having formed the subject of a vote in Parliament for the year 1875-76, it will naturally come under your cognisance in your next Report?—Yes. (Mr. *Milton.*) Not as an army expenditure; if the Committee will indicate in what way they wish it accounted for, that would probably be an assistance to the Comptroller and Auditor General, because it is not understood how it is to be accounted for; it is a cash transaction; it is not for Army Services.

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APPENDIX.

Appendix, No. 1.

PAPERS handed in by the Secretary of the Treasury.

ARMY AUDIT.

— 1. —

(4800*—76.)

TREASURY MINUTE, dated 20 March 1876.

MY Lords have before them the Reports of the Public Accounts Committee on the Army and Navy Appropriation Accounts for a succession of years.

Write to the Comptroller and Auditor General:

Sir,

1. YOU are aware that the Committee on Public Accounts has repeatedly drawn the attention of Parliament to the question of further extending the audit which you now apply to the Appropriation Accounts of Military and Naval Services.

2. In 1868, the Committee reported their opinion "that the time had arrived when "the propriety of extending the Audit of Military and Naval Accounts by the "Comptroller and Auditor General (so as to include some part of the examination as "to authority and vouchers now conducted by the Departmental Auditors only) "should be considered by the Treasury and by Parliament, and they recommend that "this subject should be considered by an official committee during the recess. The "labours of such a committee should be extended to the question whether an independent "audit of Army and Navy Store Accounts is practicable."

3. In 1869, the Committee reported "that the relations of the Audit of the Comptroller "and Auditor General, and the internal examination by the Chief Departments of "Account of their expenditure might, with advantage, be considered by Her Majesty's "Government before the commencement of next Session."

4. In 1871, they said that "They have made inquiry into the changes in the system "of internal audit recently introduced into the War Office, and have appended to their "Report the important evidence given by Mr. Stansfeld, Lord Northbrook, Sir H. Storks, "and Captain Vivian upon that subject.

"They are satisfied that the functions of the Comptroller and Auditor General in "relation to the Audit of War Office Accounts, are not in any way affected by these "changes, upon which accordingly they have no observations to make.

"The Public Accounts Committee, however, upon two occasions in past years, re-"commended that an inquiry should be undertaken by the Treasury into the propriety "of extending the audit of Military and Naval Accounts; but the Comptroller and "Auditor General thinks it right to observe, that no official action seems hitherto to "have been taken in reference thereto."

5. In 1872, and again in 1874, the Committee again alluded to the question, and in 1875 they stated that "they had enquired as to the progress made in the question "of Military and Naval Audit. The Treasury have sketched a plan for the Audit of "War Office expenditure, and they hope to obtain the co-operation of the Comptroller "and Auditor General to mature it.

"The plan is in principle similar to that which is now in process of being applied "to the revenue departments, and the same principle would be applicable to the "Admiralty Accounts.

"Your Committee trust that the work of settling these long pending questions may "now be prosecuted without further interruption, and before long be disposed of."

6. These passages indicate clearly the opinion of the Committee, unchanged through a series of years, that the examination at present applied by the independent auditor to military and naval expenditure is not sufficient. My Lords entirely agree with the Committee, and as it is left to them to reduce to a practical form the general instruction thus given to them, they proceed to consider the scope and limits of a scheme which would give to Parliament a guarantee that all its grants have been duly and faithfully applied, but would not involve unnecessary repetition of labour, or unnecessary interference with the current business of administration.

Appendix, No. 1.

7. Before undertaking to propose such a scheme, my Lords have given full weight to the high authorities who have held that no extension of military and naval audit is necessary. It appears to them that before 1862, or indeed before 1866, there was ample justification for such a theory.

Up to 1862 military and naval expenditure alone (one or two minor accounts excepted) was subjected to an audit on behalf of Parliament. The expenditure of the revenue departments, which had only a few years previously been brought under the control of Parliament, and that of the civil departments was, as far as concerned Parliament, absolutely unaudited. My Lords do not intend to convey that this expenditure was actually unaudited; the larger portion of it was examined very effectually by the Commissioners of Audit on behalf of the Treasury; but Parliament, nevertheless, had no information as to the appropriation of a very large part of the supplies which it voted year by year. It is a fact that before the passing of the Exchequer and Audit Act no account of the actual expenditure of the nation was laid before Parliament. It would have been, indeed, very difficult, if not impossible, to have prepared such an account, for the accounts prepared in the departments and submitted to Parliament, related, for the most part, to issues from the Exchequer to the spending departments, not to the actual expenditure by those departments.

8. It is clear, therefore, that at that time the audit applied to naval and military accounts under the Acts of 1832 and 1846, was the most complete in the public service. It was the model upon which Parliament proceeded in framing the Exchequer and Audit Act, but the audit applied to the accounts of the Revenue and Civil Departments under that Act has been of an extended and improved type, while that applied to the military and naval expenditure has remained unaltered. Thus the system which, at the commencement of 1866, was the most complete within the public service, has, in 1876, become the least complete, and therefore that which most urgently requires revision. My Lords indeed believe that even many of those who have studied such matters are hardly aware of the revolution in the public accounts that has taken place under the Exchequer and Audit Act, through the Reports of the Comptroller and Auditor General, addressed to the House of Commons. These Reports are submitted to the judgment of the Public Accounts Committee, and every irregularity, which in former days would have been judged and buried within the walls of a department, is examined and reported on, and the financial administration of the civil departments is thus subjected to public criticism. It may indeed be maintained that, if the First Lord of Treasury, or a Secretary of State, should order expenditure contrary to Act of Parliament, or to the established rules of the service, or of the department over which he presides, the fact is certain to be made known to Parliament by the independent Auditor in his Report upon the Appropriation Account of the Vote to which such expenditure is charged.

9. This great administrative reform has been gradually effected during the ten years which have elapsed since the passing of the Exchequer and Audit Act.

10. The reduction of the varying forms in use throughout the Civil Service to one principle of account, and the education of accounting officers, so as to ensure willing compliance with the fair requirements of the Comptroller and Auditor General, has been a work of time and labour, but the success of the measure may be tested by the reports of the Comptroller and Auditor General on the Appropriation Accounts of the whole Civil Service, and of the Revenue Departments, for the year 1874–75, now under examination by the Public Accounts Committee.

11. These reports testify to a regular and orderly administration of the public money entrusted to the various departments during the year. If exception be made of certain questions which have stood over from former years, and which are approaching settlement, the irregularities are few, not of an important character, for the most part admitted, and due also for the most part to casual oversight, not to ignorance or intention. My Lords gratefully acknowledge the result, as showing the efficacy of the independent audit administered by the Comptroller and Auditor General, and the completeness and readiness with which the departments have accepted and carried out the principles of the new system, and if, on the one hand, the responsibility of this Board to Parliament for financial order throughout the Service has been rigidly enforced, on the other hand, my Lords have, with the co-operation of the Comptroller and Auditor General, been enabled to exercise far more completely than previously, the control intrusted to them by constitutional usage, and essential to the maintenance of that financial order for which they are responsible.

12. Under this system of audit, accounts of the appropriation of the several Supply Grants comprised in the Appropriation Act of each year, are prepared by the several Departments charged with the expenditure of such grants and are forwarded by them to the Comptroller and Auditor General, who is directed by the 27th Section of the Exchequer and Audit Act to examine them on behalf of the House of Commons.

13. He is to ascertain, firstly, whether the payments which the Accounting Department has charged to the grant are supported by vouchers or proofs of payment. In so doing he is to test the accuracy of the casting and computation of the several items of the vouchers, but he may dispense, the Treasury consenting, with this minute examination of the items, if they have been certified as correct by officers of the Department specially authorised to examine them.

14. He

14. He is to ascertain, secondly, whether the money expended has been applied to the purposes for which Parliament granted it. Lastly, the Appropriation Accounts, with the Reports of the Comptroller and Auditor General thereupon, are to be laid before the House of Commons.

15. It should be added that the Comptroller and Auditor General is directed to ascertain, at the request of the Treasury, whether the expenditure included in an Appropriation Account is supported by the authority of the Treasury, and to report to the Treasury any portion of such expenditure incurred without that authority, and if the Treasury do not sanction such unauthorised expenditure, the Comptroller and Auditor General is to report it to the House of Commons as not properly chargeable to the Vote.

16. Such is the examination to which the Appropriation Accounts of the Civil and Revenue Departments are subjected on behalf of the House of Commons and the Treasury. It secures to Parliament the guarantee of a very minute check exercised by an independent auditor, the minuteness of that check being only relaxed to save the needless repetition of the mere clerical labour of casting and computation, when departmental arrangements, in his opinion, and in that of the Treasury, afford sufficient security for the correctness of those operations.

17. My Lords have already shown in paragraph 8, that this principle of detailed audit is not of universal application throughout the service, and that the Army and Navy Departments are at the present time subjected to a much less stringent check than the Civil and Revenue Departments. Very high financial authorities, as has been stated, have held, indeed, that it would not be expedient to extend in any great degree the powers of the Comptroller and Auditor General in respect to the great departments of expenditure, and Parliament has so far endorsed that opinion, that it has in the 29th Section of the Exchequer and Audit Act distinctly sanctioned the continuance of the practice in force at the time of the passing of the Act, so far as regards Military and Naval Accounts. It enacts that the Comptroller and Auditor General, after satisfying himself that the accounts of those services bear evidence that the vouchers have been completely checked, examined, and certified as correct in every respect, and that they have been allowed and passed by the proper departmental officers, may admit the same as satisfactory evidence of payment in support of the charges to which they relate.

18. My Lords will not now notice the discussion which took place between yourself and this Board on the subject of your powers under this section. It will suffice to point out that the section explicitly sanctions a continuance of the audit introduced into the Naval and Military Services by the Acts of 1832 and 1846 respectively, and to show in what respects that audit differs from the more complete audit applied to the Civil and Revenue Departments. The latter imposes on the Comptroller and Auditor General the duty of ascertaining that the accounts of all moneys provided by Parliament for the service of the year—

1. Are supported by proper vouchers, and are ordered by proper authority.
2. Are accurately computed.
3. Are applied to the purposes for which Parliament voted the money.
4. Are in accordance with Statute.
5. Are in accordance with Treasury authority.
6. Are in accordance with the formal regulations of the department.

But in auditing Military and Naval Expenditure the Comptroller and Auditor General sees that a stated sum has been expended, and he receives the explanation described above of the Department that it has been expended on a certain object. He satisfies himself that Parliament has provided money for that object, and that this particular sum has been charged to the vote in which such provision has been made, and to the proper sub-head of that vote, as set forth in the Estimates laid before Parliament.

19. In other words, he accepts more or less, the evidence of the Departmental Examining Officer on heads 1 and 2, and upon the faith of that evidence he certifies that the money has been expended upon the services for which Parliament voted it, but upon such an examination alone he can never be in a position to certify of his own knowledge to the last three heads.

20. The anomaly of applying two principles of audit to the grants of Parliament, is not so unreasonable as might at first sight appear to be the case. The Civil Service consists for the most part of a number of comparatively small offices, within which no practically independent spending and examining branches can be organised.

21. But a great department like the War Office or the Admiralty is, in reality, not one department, but a collection of offices as independent of each other as if they were separate offices, excepting only that they are dependent on a common chief.

22. In the War Office and Admiralty, the account branch is entirely separate from the branches which initiate or sanction the spending of money, and except to an insignificant degree, has no interest or voice in the expenditure which it examines and records. It is, of course, absolutely necessary that the political chief of such a department should have under him an account branch of his own, which must examine and report to him the regularity of the payments made in his name, and for which he is responsible to Parliament. This work of examination must, therefore, be done within the department itself, and it must precede any examination by the independent auditor.

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23. If then, the Comptroller and Auditor General were instructed to examine Military and Naval Accounts in detail, his examination must be subsequent to, and travel over the same ground, as that of the departmental examiner, and considering the magnitude of the work, it must, my Lords consider, be conducted not at the Audit Office, but within the walls of the office which has ordered the expenditure to be subjected to examination.

24. It has been suggested, with a view to meet the difficulty of a double examination, that the accounts branch of the War Office and Admiralty should be entirely independent of the Secretary of State and of the Lords of the Admiralty, that they should be members of the Audit Office, and dependent solely on the Comptroller and Auditor General. My Lords, however, are unable to entertain such a proposal, because it appears to them to rest on a vicious principle. It would, in fact, relieve those great officers of a most important part of their responsibility. As administrators they are bound to see that the services which they direct are duly maintained, and that the expenditure incurred for that purpose is duly and orderly met. The proposal is open to the further objection that it would mix up the Comptroller and Auditor General in the work of administration, a confusion of functions that could not fail in the end to impair his *quasi* judicial position.

25. It is his business to examine the completed accounts of the Executive Government, and to report upon them to the House of Commons. It is not his business to prepare or complete those accounts for the satisfaction of the Executive Government.

26. My Lords, having now reviewed the existing system of audit, having described the difference between the two principles in operation, and pointed out the direction and limit of practical reform, proceed to consider the specific nature of the reform which they propose, with your co-operation, to adopt, and to lay before the Public Accounts Committee.

27. It may be taken for granted that the present limited audit of Naval and Military expenditure cannot be continued. The Committee of Public Accounts, as has been shown at the commencement of this letter, have expressed decidedly and repeatedly their opinion to that effect.

28. My Lords have expressed also their concurrence with that decision, and though Parliament has sanctioned in the Exchequer and Audit Act the continuance of the existing system, it added a proviso, which distinctly contemplated the advisability of modifying that system, when in the 29th section it directed that if the Treasury should desire any vouchers relating to the appropriation of the grants for Army and Navy Services to be examined by the Comptroller and Auditor General in greater detail, the Comptroller aud Auditor General should cause such vouchers to be subjected to such detailed examination as the Treasury may think fit to prescribe.

29. The limit of a measure of reform is of course the detailed audit, to which the Civil and Revenue Accounts are subjected. My Lords have indicated the objection to such a measure. It would necessitate heavy expenditure, and the doing twice over of work which has already been once effectively done. As a result, the Audit Office establishment would, in all probability be more than doubled, at a cost of something like 40,000 *l.* a year.

30. The inquiries instituted by this numerous staff suddenly installed at the War Office and Admiralty, could hardly fail to impede the current business of the departments, and the result would engender a spirit of opposition to the audit itself, which it is most desirable should be avoided.

31. As far, however, as my Lords are aware the application of a detailed audit, in the full meaning of the term to naval and military grants, has not been seriously advocated. It is clear that Parliament did not contemplate it at the passing of the Exchequer and Audit Act, otherwise it would not have made the special exception in favour of those services contained in the 29th section, to which allusion has been made, while the proviso at the end of the section leaves to the unfettered discretion of the Treasury the regulation of any extension of the audit, which experience or circumstances may show to be necessary. The Committee of Public Accounts on their side have never suggested a detailed audit. They have indeed left it to the responsible Government to draw up the scheme of extension, but they have expressed an opinion that Parliament and the Treasury should consider the propriety of extending your audit, "so as to include some part of the "examination as to authority, and voucher now conducted by the Departmental Auditor." They further wished the question to be discussed whether an independent audit of Army and Navy Store accounts is practicable.

32. Lastly, they do not gather that in this case you yourself favour a detailed audit. They observe that in 1871, and in answer to Question 2728, you stated before the Public Accounts Committee: "It resolves itself into a question of expense; but it depends "entirely, as I have repeatedly said, upon the extent to which the examination may be "carried; supposing it were a second detailed examination of the whole accounts, which "I think few persons would venture to suggest, that of course, would entail very large "expense. On the other hand, if it were a more limited examination, and instead of "taking the accounts the Comptroller and Auditor General were directed to exercise his "discretion in examining vouchers as evidence of payment, that would occupy only a

"limited

"limited staff. In other words, if the Comptroller and Auditor General had under his "orders a small body of 'revisors, or a limited detective staff,' such as was suggested "by an Honourable Member of the Committee to check the charges, sometimes in one "branch, and sometimes in another, say for a month or six weeks, or for a quarter, and "upon a principle analogous to that which is in actual operation with reference to the "Revenue Account of the Revenue Departments, then, of course, the expense would be "comparatively limited."

33. My Lords have themselves expressed, or caused to be expressed, an opinion more or less in consonance with those to which reference has been made, and they consider that they may safely draw the conclusion that a second detailed examination of the whole accounts of the Military and Naval Services is not in question.

34. These considerations point to a "test" audit as the true solution of the difficulty, for it appears to my Lords to satisfy the essential requirements of an independent audit, and to avoid at the same time unnecessary labour and unnecessary expense. My Lords propose, therefore, to exercise the power conferred upon them by the proviso to the 29th Section of the Exchequer and Audit Act, and to request you at once to apply a "test" audit to the vouchers relating to the Appropriation of Army Grants.

35. They consider that this audit should be applied upon a principle that would ensure an examination of all the heads of voted expenditure once within a given number of years, say six.

That you should select in each year any Vote, Sub-head of a Vote, or item of a Sub-head that you may think fit, regulating your scheme of audit for the year proportionately to the period stated in the preceding paragraph.

That you should, if you think fit, examine the same Vote, Sub-head of a Vote, or item of a Sub-head as often as you please; in short, that your discretion in the conduct of your examination should be absolutely unfettered, and subject only to the general definition of the "test" contained in this letter.

That you should accept the castings and computations on the certificate of the Departmental Examiner, unless you have reason to question them.

That you should accept the Queen's Warrants and Regulations as the governing authority of the War Office, unless it appear that they are contrary to Statute. That you should be at liberty to ask for Treasury authority in those cases where the previous sanction of the Treasury should have been obtained.

That you should accept the direction of the Secretary of State as sufficient authority in all cases, where it is not at variance with Statute, Warrant, or Regulation, and where it does not require Treasury concurrence.

36. My Lords observe that the Army Estimates are separated into two Main Divisions:

(1). Personnel.

(2). Matériel.

(1). The personnel, effective and non-effective, includes about three-fifths of the total expenditure of the Army, but although the sums involved are so considerable, it appears to my Lords that the appropriation of the larger part of them admits of comparatively easy test, and that a few samples will test the general correctness of the charge.

37. For example, the pay and allowances of the different arms contained in Votes 1, 5, 6, 7, and 8, absorb nearly six millions sterling. In the computation of these charges, the persons who raise them, check them, direct issue of the money, and watch it to its final distribution, are so many, and so unconnected with the recipient, who has every opportunity afforded him both of learning what is due to him, and of securing the receipt of it, that misappropriation is scarcely possible without speedy detection. The discovery of mere clerical error may be safely left to Departmental examination.

38. Again, it appears to my Lords that the same remark may apply to a large portion of non-effective allowances, the grant of which is strictly guarded by regulation, the amount of which is divided into small sums, and the distribution of which is carefully watched until they reach the hands of the pensioners, who know well what is due to them, and who have plenty of opportunity given them to make complaint.

39. On the other hand, establishments, special allowances, special services, contingent allowances, and miscellaneous expenses of various kinds, allow a larger scope to discretion and to irregularity. They, therefore, deserve the special watchfulness of the independent auditor.

40. (2). Passing to the division of "matériel," which may be said roughly to involve a cost of somewhat more than six millions, my Lords may observe that the same remarks apply to establishments and allowances, &c., in this branch of expenditure as in that which they have called the Personnel. The purchase and receipt of stores, however, require a different kind of check, and they would be glad if you would give special attention to this head of charge. More difficult still is the application of an independent check to the expenditure incurred on the manufacture of stores, and on the execution of new buildings and repairs. You will doubtless wish to have opportunity for considering this last point, and for ascertaining by actual test how far an independent check upon work executed by the permanent and paid staff of a department is practicable.

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41. My Lords have now made known to you the general conclusions at which they have arrived. They would prefer to regard the undertaking in the first instance as an experiment, and they would be glad to learn that you accept it in that sense, and that you would propose at the end of a reasonable period of time to communicate to them the results which you may have obtained, and the views which your experience may have led you to form. For this purpose they think it best that you should make your own arrangements, adding that they will be prepared to provide the cost of the temporary assistance that you will require.

42. It is evident that the task before you is one of some delicacy, and that it will be most desirable to secure, as far as possible, the co-operation of the great Department, which is about to be subjected to a check more stringent than has hitherto been imposed upon it. It is above all things essential, in my Lords' opinion, that the end in view should be attained by means that will recommend themselves to the judgment of all concerned, and that every effort should be used not to impede the current administration of the War Department.

It should further be distinctly understood that, in the necessary discharge of your duties, you will in no way interfere with the discretion which the law gives to the Secretary of State, and that your presence in the War Office does not in any degree weaken or impair his authority. My Lords feel sure that you will agree with them upon this point, and also in the necessity for cautious and considerate action in the first instance.

43. The measures which they propose are, of course, equally applicable to naval and to military expenditure, but they intend to ask you now to confine your attention to the latter, with a view to attaining a more complete result. At the end of a period of trial which they contemplate, they will then consider with you the permanent arrangements which should be made for the extended audit of military accounts, and they will consult with you and with their Lordships of the Admiralty on the adoption of a similar scheme for naval expenditure.

I am, &c.

— 2. —

(7580—76).

Mr. *W. Law* to the Honourable *F. Stanley*, M.P.

Sir, Treasury Chambers, 3 May 1876.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith copy of a letter which my Lords propose to address to the Comptroller and Auditor General on the subject of further extending the audit now applied to the Appropriation Accounts of Military and Naval Services, and I am to request that you will lay the same before Mr. Secretary Hardy, and request him to favour my Lords with any observations he may wish to make upon it.

Mr. Hardy is probably aware that the Treasury have undertaken in several successive years to submit to the Public Accounts Committee a scheme under the 29th section of the Exchequer and Audit Act for the extension of the audit of the Comptroller and Auditor General to Army and Navy Accounts.

My Lords feel that they ought not to delay fulfilling the engagements into which they have entered.

The proposals they now make have been prepared with a full sense of the necessity of maintaining the authority of the Secretary of State, of avoiding the expense and inconvenience to the public service of duplicating work, and of affording to Parliament the guarantee of an external audit, which is now applied to the whole of the Civil Service Expenditure; and my Lords feel that they can with confidence invite the co-operation of Mr. Secretary Hardy to perfect suggestions which have been conceived in this spirit.

I am, &c.
(signed) *Wm. Law.*

The Hon. F. Stanley, M.P.,
&c. &c. &c.

— 3. —

(No. 7500—3257.)

The Honourable *F. Stanley*, M.P., to the Secretary to the Treasury.

Financial Secretary's Department, War Office,
29 May 1876.

Sir,

I AM directed by Mr. Secretary Hardy to acknowledge the receipt of Mr. Law's letter of the 3rd instant, enclosing a copy of a communication which the Lords Commissioners of Her Majesty's Treasury purpose making to the Comptroller and Auditor General "on the subject of further extending the audit now applied to the Appropriation Accounts of Military and Naval Services."

Mr. Hardy has given full consideration to the proposals contained in Mr. Smith's Draft Letter of the 20th March, and regrets that he is compelled to form the conclusion that the practical application of them in the manner suggested would be found to be incompatible with the maintenance of the absolute authority of the Secretary of State, of which their Lordships admit the necessity.

I am to observe, in the first place, that while their Lordships base the proposed extension upon the powers conferred on them by the 29th Section of the Exchequer and Audit Act, it appears to Mr. Hardy that that section merely empowers the Treasury to prescribe in exceptional cases a more detailed examination of vouchers, as regards evidence of payment and appropriation. The 27th Section of the Act does, however, undoubtedly empower the Treasury from time to time to require the Auditor General to ascertain whether the expenditure in the Appropriation Account is supported by the authority of the Treasury, but it would seem to Mr. Hardy to be greatly in excess of the intention of Parliament to found upon such discretionary powers, which it is to be observed have never hitherto been exercised, a direction to the Comptroller and Auditor General to determine whether in his judgment the decisions and orders of the Secretary of State are "at variance with statute, warrant, or regulation, or whether they require Treasury concurrence."

The possible conflict of opinion between the Auditor General and the Secretary of State as to the due and sufficient authority under which the latter has provided for the requirements of the military service, would appear to be fraught with undoubted danger to the authority of the Secretary of State towards the Army, and Mr. Hardy can but express his hope that their Lordships would see fit to modify their proposals accordingly.

I am to remark that Mr. Hardy is satisfied that the audit, as at present applied within his department to all military accounts, is most searching and complete in its character, and founded, moreover, upon a special knowledge of the regulations of the service, an essential element of examination, which would be wanting in any audit by examiners belonging to the department of the Comptroller and Auditor General.

At the same time he is willing to assent to the full examination by the Auditor General of the accounts for payment of the salaries and established charges of his department, since their examination would in no way involve the Secretary of State's authority towards the Army nor bring in question any of the Royal Warrants.

As regards those accounts, however, which are rendered for examination and allowance to the War Office, while Mr. Hardy would willingly avail himself of the services of the Audit Office for the re-examination of any of them on his behalf; the result of such examination being reported to him for his information and guidance, he cannot but consider that any system by which the Auditor General should be empowered to report the Secretary of State to their Lordships for an alleged want of authority in ordering expenditure, or for obtaining the Royal signature to Warrants for Army Services contrary to statute, would be destructive to the due administration of the Army, for which the Secretary of State is the responsible Minister.

I have, &c.

The Secretary to the Treasury. (signed) *Fred. Stanley.*

— 4. —

(9081—76.)

The Secretary to the Treasury to the Honourable *F. Stanley*, M.P.

Treasury Chambers, 15 June 1876.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of your letter of 29th ultimo, and to express their great regret that Mr. Secretary Hardy has arrived at the opinion that the application of a test audit by the Comptroller and Auditor General to the Appropriation Accounts of moneys granted for Army Services will place difficulty in the way of the maintenance of the necessary authority of the Secretary of State in the administration of the War Department.

My Lords are unable to concur in that view, as they do not understand that Mr. Hardy

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claims either for himself or for his officers the exercise of any powers which do not rest on Royal Warrants or other legal authority.

It is not, and it never could be, in the power of the Comptroller and Auditor General to determine whether the orders of the Secretary of State are at variance with statute, warrant, or regulation, and it would certainly be no part of his duty to express an opinion upon the Statutes, Royal Warrants, or other authority, from which the Secretary of State derives his power.

It would be the duty of the Comptroller and Auditor General to ask from the Secretary of State information as to the grounds on which expenditure was incurred, if it appeared to him that it wanted the necessary legal sanction, and if he remained unsatisfied he would state his opinion to Parliament in his Report upon the Army Appropriation Account, and it would come in due course under the consideration of the Committee of the House of Commons. Thus you will observe that the Comptroller and Auditor General decides nothing; he merely reports, and it is practically reserved to the House of Commons to decide in doubtful cases whether the money has or has not been expended in accordance with the intentions of the granter, that is to say, of Parliament.

It does not appear to my Lords that this course of proceeding could have any effect whatever upon the relations of the Secretary of State to the Army, fully believing that Mr. Hardy is justified in the confidence which he expresses in the complete regularity of the transactions of his department. They hold that the result of the examination of the War Office expenditure would probably be as satisfactory as that of the Civil Service expenditure, which is carried out most certainly without impairing the authority of the Prime Minister, the Secretaries of State, and other heads of the great Departments of the State.

It cannot, however, be maintained that, because the head of a department is satisfied with an examination applied to his own accounts by his own officers, Parliament ought to be satisfied with that examination, and that there is no occasion for an independent examination. Public policy requires, in the opinion of my Lords, that all public accounts should be subjected to the examination on reasonable principles of an independent officer, whose certificate should be indispensable for the satisfaction of Parliament.

My Lords must further remark that, although the accounts of great departments may themselves be accurate, and although the accountants may, as is now generally the case, welcome the counter-signature of the Comptroller and Auditor General as conclusive evidence of that fact, there are other advantages to be gained by the independent examination which are not of small value.

The vote of 500,000 *l.*, which was asked for this year to replace sums of money paid by the War Office for Indian charges, shows clearly that, with the best intentions on the part of a departmental staff, misapprehensions may arise which, as far as the annual expenditure is concerned, result in very serious inaccuracy and irregularity.

In conclusion, my Lords must again express their regret that the Secretary of State does not fully concur with them as to the necessity and expediency of the test examination which they propose. They are most desirous of acting in concert with him on all points, and they do not doubt the cordial co-operation of the Comptroller and Auditor General in carrying out such an examination as has been proposed with the least possible friction and disturbance of the departmental administration. A responsibility, however, has been imposed upon them by the Exchequer and Audit Act, from which they cannot escape, and it is incumbent upon them, in view of the repeated recommendations of the Public Accounts Committee, to express the conclusion at which, after mature deliberation, they have arrived. They are convinced that Parliament will not be satisfied with any examination on the part of their own officer which falls short of that which my Lords have proposed. They believe that, while that examination supplies a sufficient guarantee for the legal expenditure of public money, it avoids needless duplication of work and interference with the work of administration.

Bearing in mind these several considerations, my Lords propose to lay their Minute of the 20th March last before the Public Accounts Committee, and to accompany it with the correspondence that has followed. The Committee will then have before them the proposal of the Treasury, and the objections which the War Office entertain thereto, and it will be open to them, if they think fit, to give to the latter the opportunity of being heard.

I am, &c.
(signed) *W. H. Smith.*

The Hon. F. Stanley, M.P.,
War Office.

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— 5. —

The Comptroller and Auditor General of the Treasury.

Exchequer and Audit Department, Somerset House,
London, W.C., 24 June 1876.

My Lords,

I HAVE the honour to acknowledge the receipt of Mr. Smith's letter of the 20th instant, No. 4800*/76, on the subject of further extending the Audit now applied by this Department to the Appropriation Accounts of Military and Naval Services.

Mr. Smith, after detailing the various recommendations which the Public Accounts Committee have made in regard to this question, states that your Lordships regarding a "test" audit as the true solution of the difficulty, propose to exercise the power conferred upon the Treasury by the proviso of the 29th section of the Exchequer and Audit Act, and to request the Comptroller and Auditor General at once to apply a "test" audit to the vouchers relating to the appropriation of any grants.

Your Lordships, while leaving wide discretionary powers to this Department as to the nature of the test, express an opinion that it should be applied upon a principle that would ensure an examination of all the heads of voted expenditure once within a given number of years, say six.

In reply, I would beg at the outset to be allowed to express my satisfaction that your Lordships should, after mature consideration, have arrived at a conclusion with regard to this important and long pending question of such a nature as to enable me to give to it, on behalf of this department, a cordial and unqualified assent. After a careful consideration of the proposals contained in the letter under reply, I can confidently repeat the assurance that I gave before the Public Accounts Committee, at its last meeting, of my willingness to co-operate with your Lordships to the best of my ability in carrying out this important development of the principles of the Exchequer and Audit Act, to the efficacy of which your Lordships have borne testimony in terms which cannot but be most gratifying to this Department.

It only remains for me to add, with reference to the concluding paragraph of Mr. Smith's letter, that it will be my endeavour, in discharging the arduous duty imposed upon me, to do so with all due consideration for the convenience as well as the duties, of the War Office.

I propose shortly to address to your Lordships a separate communication on the preliminary steps to be taken to enable an early commencement of the test audit.

I have, &c.

To the Lords of the Treasury. (signed) *Wm. Dunbar.*

Appendix, No 2.

Appendix, No. 2.

EXTRACT of LETTER under date of 10th June 1876, addressed to the Chairman of the Committee by Mr. *Henry Doyle*, Director and Accounting Officer of the National Gallery of *Ireland*, containing Observations in reference to the Report and Evidence of the Comptroller and Auditor General upon Vote 15, Class IV., Civil Service Estimates.

1. THE apparent serious discrepancy between the Appropriation Account as rendered by this department, and as corrected in the Comptroller and Auditor General's Report, arises from the manner in which an additional sum of 100 *l.* granted by the Treasury late in the year, is introduced into the account, and is due to official inexperience upon a matter of form.

2. The correction in paragraph 5 of the Comptroller and Auditor General's Report which attracted the notice of the Committee, alludes to an error in the total under Sub-head D, and not to any deficiency of vouchers.

3. That Mr. Ryan's answers upon that point convey the impression, not only that there was deficiency of vouchers, but also that this was not an unusual occurrence, it being useless to apply for such. I can only say in answer to this, that I am not aware of any such circumstance having ever happened, while with regard to the accounts of the year in question, an examination of the few "queries and observations" from the Audit Office which arose out of them, and their answers, would prove that all vouchers had been furnished, and all requirements of the Audit Office satisfied on or before the 29th of December last.

Appendix, No. 3.

Appendix, No. 3. COPIES of a LETTER from the Postmaster General to the Treasury, dated 9th March 1876, on the subject of PAYMENTS to certain RAILWAY COMPANIES (with per-centage above Cost), on account of Work executed by them for the Post Office, in connection with Extensions of the Telegraph System; and, of the REPLY thereto, dated 24th May 1876.

[To be laid before the Committee of Public Accounts, with reference to paragraph 6 of the Comptroller and Auditor General's Report on the Telegraph Capital Account, ordered to be printed on the 20th March 1876.]

(177,551—74).

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords, General Post Office, 9 March 1876.

WITH reference to your letter of the 22nd December 1874, No. 18,928, in which your Lordship's request my observations upon certain points in connection with the payments made to certain railway companies (with per-centage above cost), on account of extensions of the telegraph system carried out by them, for which payments your Lordships' authority was sought in my letter of the 10th of November 1874, I beg leave to point out that your Lordships appear to think that six only out of the nine Railway Companies in question have the right of erecting for the Post Office all wires upon their line of railway, five of them, namely, the Great Western, the London, Chatham, and Dover, the London and South Western, the North Eastern, and the South Eastern, under the agreements scheduled to the Telegraph Act of 1868; and the other, the London, Brighton, and South Coast, under an agreement concluded subsequently.

Your Lordships seem, however, to have overlooked the companies specially mentioned in Section 9 of the Act itself; the 4th Sub-section of which (to which your Lordships attach the correct meaning), gives the same power to the Lancashire and Yorkshire, and the London, Brighton, and South Coast Railway Companies. The latter company have, therefore, the right, irrespective of their agreement of the 20th January 1871, to which your Lordships allude. As regards the other two companies, to which the payments were made, similar terms to those granted to the Bristol and Exeter Railway Company (which is a company having an agreement scheduled to the Act) had been arranged with, and have now been embodied in an agreement with the South Devon Railway Company, which has received your Lordships' sanction; and although no agreement has yet been made in the case of the Great Western and London and North Western Joint Lines, it may natuarally be supposed that these lines would be ruled in this matter by the terms of the agreement with the individual companies, and this has been the case.

But it is not, I apprehend, upon this part of the question that your Lordships wish for further explanation, but rather as to the rates of per-centage allowed to Railway Companies beyond the cost price of the works. I would only say, therefore, that the law does not give the department power in any case to enter upon a company's property, and more upon that of a private individual without consent, for the purpose of erecting works or repairs; and that the Post Office can have no option in the matter, unless the right be conceded by mutual agreement.

Your Lordships observe that, although the companies which you specify have this right, a right which, as I have shown, is not, however, confined to those companies, they have not the right of insisting upon the payment of whatever remuneration they may think fit to demand.

I am not aware that the company have ever claimed such a right as this, and your Lordships may be assured that even if claimed, it would not for a moment be admitted by the department. But there is nothing in the Act of 1868 which binds the companies to execute works for the department at cost price, and I presume your Lordships will be prepared to admit the reasonableness of a proper allowance for profit. As pointed out in my letter, however, the per-centages under notice not only include a charge for profit, but also for superintendences, head office charges, use of tools, and in some cases, fares and freights of stores. These items cannot be appropriated in actual figures to each work, and it is a customary mercantile proceeding to provide for them by adding a certain per-centage to the actual out-payments for labour, materials, &c. In cases where the department had no right of free conveyance for men and stores, much labour is saved by an arrangement of this nature, as great difficulty was experienced in exercising an efficient check upon such charges.

The

Appendix, No. 3.

The per-centages range from 10 to 17½ per cent, and, except when the work is done for the company by a contractor, in which case his account is usually recharged to the department, a per-centage is allowed to nearly all the principal railway companies which execute works for the department. The reason for their variation is given in my letter of the 10th November 1874; and I would also refer your Lordships to Question No. 605, on page 3 of the Minutes of Evidence in the Second Report of the Committee of Public Accounts of last year. It was, as stated, a matter of bargain, the department making the best terms it could, according to the varying circumstances in each case, and the varying conditions of the agreements. It is, of course, impossible to obtain uniformity in the arrangements with railway companies. The rates for the maintenance, for way-leave, and for commission all differ widely, and the statement forwarded with my letter of the 30th November last of the payments made for the maintenance of handing over instruments, furnishes a good example of the variation in terms which the department is able to obtain. The Post Office was satisfied that the arrangements arrived at in regard to these per-centages were the best that could be made, and there was consequently no reason for, whilst there were many against, going to arbitration, and incurring the expense of proceedings, from which the department was not likely to obtain any benefit. In fact, the attention which an arbitration would naturally have attracted would probably have resulted in a levelling up of the rates, thus upsetting the most favourable of the arrangements.

The additional 2½ per cent. was agreed to be paid to the London, Brighton, and South Coast Railway in consideratien of such payment covering all charges for fares of the men employed by the company in the execution of works for the department.

I find your Lordships are correct in stating that the Great Northern Railway Company, in addition to the Great Western, is allowed 17½ per cent. The application of the rate by the Great Northern Railway Company is, however, much more favourable to the department than in the case of the Great Western Company, inasmuch as it is only calculated upon the charge for labour, and upon such materials as the railway company provides, most of the materials used by the company on Post Office works being provided by the department; whereas the Great Western Company charge the per-centage upon the total cost of the work, whether the stores be found by the company or not. In both cases it covers the fares of the men employed on the work, and the freight of the stores from the point of delivery by the Post Office.

I trust that these explanations will be satisfactory to your Lordships, and that I shall now receive the authority sought in the last paragraph of my letter of the 10th November 1874.

With regard to the second point to which your Lordships make special reference, I can only express my regret that the arrangements were not laid before you, so that your sanction might have been obtained before the payment were made. Under the pressure attending the transfer of the telegraphs, the necessity for doing so was no doubt overlooked.

To the third point, I have already replied to the effect that the department did not consider it either expedient or necessary to resort to arbitration, and, as stated before the Committee on Public Accounts, the third sub-section of Section 9 of the Telegraph Act of 1868, is not understood to compel arbitration, but only as providing an alternative, failing agreement.

The last point upon which your Lordships desire my observations is, as to the requirements of Section 23 of the above-mentioned Act, which enacts that copies of all contracts, agreements, and arrangements made under its authority should be laid before Parliament.

I very much question whether this is an arrangement which comes within the provisions of the clause in question, and the evidence given before the Committee of Public Accounts in May 1874 (Question 959), rather confirms me in the opinion that it does not do so. Your Lordships, have, however, the opinion of the Law Officers of the Crown, and will doubtless instruct me if I am wrong. Inasmuch, however, as the arrangements have in no case been embodied in a legal document (except in the case of the portion of the per-centage paid to the London, Brighton, and South Coast Railway Company, it would be difficult to present them to Parliament in a convenient form, and I should deprecate presenting them at all unless it is clear that the Act requires it, owing to the undesirable publicity they would then obtain.

I much regret the delay which has occurred in replying to your Lordships' letter.

I have, &c.
(signed) *John Manners.*

The Lords Commissioners of
Her Majesty's Treasury.

Appendix, No. 3.

(4259–26.)

The Secretary to the Treasury to the Postmaster General.

My Lord, Treasury Chambers, 24 May 1876.

THE Lords Commissioners of Her Majesty's Treasury have had under their consideration your Lordship's letter of the 9th March last, in reply to the letter from this Department of the 22nd December 1874, on the subject of certain payments to railway companies for extensions of the telegraph system, with per-centage charges thereon for supervision and use of tools.

Their Lordships accept your assurance that the arrangements for the payment of per-centage rates, which your Lordship admits in your letter of the 10th November 1874, were agreed to on no fixed principle and were only arrived at by negociation, were effected by the department under the belief that they were the best that could be made, and that there was consequently no reason for, while there were many against, going to arbitration.

Their Lordships cannot however but think that the course which has been followed is unsafe as a precedent, and dangerous to the reputation of the department and of the public service generally.

It is of the highest importance that negociations between the State and individuals should be settled in open court, or at least upon principles which can be openly pleaded in justification of the decisions involving heavy money payments.

In these cases their Lordships are convinced that it would have been better, even at some increase of cost, to have resorted to arbitration, at all events until a principle had been established which could be quoted as a guide and measure for future arrangements if, as appears to be the case, the real cost of the work is unknown to the officers of your Lordship's department.

Their Lordships are unable to concur with you in approving of the high rate which has been paid to the Great Western, and London and North Western Joint Lines, without any agreement, and of the additional 2½ per cent. which was received by the London, Brighton, and South Coast Railway Company.

Their Lordships will not comment further upon the neglect of the Post Office to bring these rates under the notice of the Treasury before they were agreed to, and they will no longer refuse to give their covering authority for the payments, including per-centages, to which the attention of the House of Commons was called by paragraphs 20 and 21 of the Comptroller and Auditor General's Report on the Telegraph Capital Account for 1873–74. They are therefore pleased to approve of the payment of the following sums:—

	£.	s.	d.
To the Great Western - - - - -	22,826	13	8
„ London, Chatham, and Dover - - -	805	18	6
„ London, Brighton, and South Coast -	858	14	9
„ London and South Western - - -	529	12	3
„ Lancashire and Yorkshire - - -	9,807	4	2
„ Great Western and London and North Western Joint Lines - - - - -	165	–	4
„ North Eastern - - - - - -	528	14	–
„ South Devon - - - - - - -	249	8	9
„ South Eastern - - - - - -	10,108	6	8

I am desired to request that if any further payments of the same nature have been made during the two years ending the 31st March last, a schedule thereof may be forwarded to this department without delay.

With reference to your Lordship's suggestion that the Post Office should be authorised to make similar arrangements in future, I am instructed to state that their Lordships feel unable to adopt it or to sanction a continuation of the present rates, or similar arrangements in future, until they have had an opportunity of carefully examining the agreements under which the per-centage rates mentioned in your Lordship's letter of the 10th November 1874 have been paid.

I am therefore to request that this Board may be furnished with copies of the agreements in question.

Their Lordships will here take the opportunity of mentioning, that in the case of the South Devon Railway Company, it is stated in the letter now under reply, that terms have been granted similar to those in force with the Bristol and Exeter Railway Company. It would however appear that, whereas the Bristol and Exeter Railway Company have the right under their agreement to erect wires for the Post Office, Clauses 5 and 6 of the draft agreement with the South Devon Railway Company, which received the approval of this Board in March 1875, gives the Postmaster General power to erect works himself.

Their Lordships may, in conclusion, observe that your Lordship applied to this Board to sanction the payments in question, by a letter dated the 10th November 1874. Their Lordships had occasion to refer this letter, first to the Comptroller and Auditor General, and afterwards to their solicitor, and after they had considered the reports which they received,

a letter

a letter was written to your Lordship asking for further information, on the 22nd December 1874. The subject was brought to the notice of the House of Commons by the Comptroller and Auditor General in 1875, and was commented on in the Second Report of the Committee of Public Accounts in that year. Yet it was not until March last that any reply was received from your department. Their Lordships think it matter for regret that, in presence of the criticism of a Committee of the House of Commons, and in view of the repeated objections which have been raised to the neglect of the Post Office to obtain Treasury authority where it is required, so long a delay should have been permitted to occur. Appendix, No. 3.

I am, &c.
(signed) *W. H. Smith.*

The Postmaster General,
&c. &c. &c.

Appendix, No. 4.

PAPERS relating to the AUDIT of the SPECIAL TRUST FUNDS of the BRITISH MUSEUM, CHARITY COMMISSION, and UNIVERSITY of LONDON. Appendix, No. 4.

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— 1. —

TREASURY MINUTE, dated the 15th February 1875.

MY LORDS have read the observations of the Committee of Public Accounts with reference to the special trust funds in the hands of the Trustees of the British Museum and of the University of London (paras. 54 and 55 of the Report of 1874).

My Lords have also read the Reports of the Comptroller and Auditor General on the Appropriation Accounts for the year 1872-3, relative to the Votes for the Charity Commission, for the British Museum, and for the University of London.

Write to the Trustees of the British Museum:

"My Lords and Gentlemen,

"I am directed by the Lords Commissioners of the Treasury to transmit to you the accompanying extract from the Report of the Public Accounts Committee on the Appropriation Accounts for 1872-3:

'Class IV., Vote 3, British Museum.

'The Trustees have, in addition to the amount voted, the disposal of special trust funds, an account of which is annually presented to Parliament, but not to the Audit Office. Your Committee think that it would be well that the Treasury should at some future time make inquiries into this and other similar cases, where accountants deal with more than one fund, and have more than one balance, and consider in each case what steps, if any, should be taken.'

"In accordance with this recommendation, their Lordships desire me to request that they may be favoured with your views as to the measures which should be adopted, not as interfering with your control over the expenditure of the special funds in your keeping, but in order to provide against any irregularity which the retention of more than one balance renders possible."

"I am, &c.
(signed)

Write to the Registrar, University of London:

"Sir,

"I AM directed by the Lords Commissioners of the Treasury to request that you will inform the Senate of the University of London that the Public Accounts Committee in their Report of last Session remarked that in addition to their grant from Imperial funds, the Senate have the disposal of the fees received from graduates, and the donations made to the Library Fund, together with the interest received from investments in Govern-

Appendix, No. 4.

ment stocks, &c.; but that the accounts of receipts and expenditure connected with these funds are not submitted to the Comptroller and Auditor General.

"The Committee requested the Treasury to make inquiries into this and other similar cases, where accountants deal with more than one fund, and have more than one balance, and to consider in each case what steps, if any, should be taken.

"In accordance with this recommendation their Lordships desire me to request that they may be favoured with the views of the Senate of the University of London on the measures which should be adopted, not as interfering with the control of the Senate over their special trust funds, but solely in order to provide against any irregularity which the retention of more than one balance renders possible."

"I am, &c.
(signed)

Write to the Charity Commissioners:

"My Lords and Gentlemen,

"I AM directed by the Lords Commissioners of the Treasury to transmit to you the following extract from the Report of the Comptroller and Auditor General on the Appropriation Account of the Vote for your Department for 1872-3:

'It will be observed that the account rendered to this Department is strictly confined to the Grant for the Salaries, &c. of the Charity Commission. This Department has no cognisance of, and consequently no responsibility with reference to, any account of charitable funds transferred to the official trustees appointed under the Statute of 16 & 17 Vict. c. 137, but a return of these funds is made to Parliament under the 23 & 24 Vict. c. 136.

'The Public Accounts Committee, in their Report of 1874, suggested to this Board to make inquiries into all cases, where accountants dealt with more than one fund, and have more than one balance, and to consider in each case what steps, if any, should be taken.'

"Their Lordships doubt if your Board falls within the scope of the Committee's direction. The Trustees of the Charity Funds do not account for the Vote for the Charity Commission; but they are officers of that Commission; and, although the Vote can only be operated upon, though the office of the Paymaster General and the Charity Funds form a separate account at the Bank of England (18 & 19 Vict. c. 124, s. xx); yet, the same clerks and bookkeepers, or some of them, probably are employed on both sets of accounts, and thus have to do with more than one balance.

"Under these circumstances their Lordships have thought it better to inquire whether your Board is satisfied that no irregularity can arise from this fact."

"I am, &c.
(signed)

— 2. —

Charity Commissioners to Treasury.

Charity Commission, 8, York-street, St. James's-square, S.W.,
Sir, 26 February 1875.

IN reply to Mr. Stronge's letter of the 22nd inst., I am directed by the Charity Commissioners to state that the account of charitable funds and the return to Parliament are regulated by the statutes mentioned in that communication, and, in the opinion of the Charity Commissioners, do not fall within the scope of the Public Accounts Committee.

The Commissioners are satisfied that no irregularity can arise from the present mode of management.

A print of the last Return made to Parliament is herewith enclosed.

I have, &c.
(signed) *Henry W. Vane*, Secretary.

The Lords Commissioners of Her Majesty's Treasury,
Treasury Chambers, S.W.

— 3. —

British Museum to Treasury.

My Lords, British Museum, 6 March 1875.

I HAVE had the honour to lay before the Trustees Mr. Lingen's letter of the 17th ultimo, transmitting, by command of your Lordships, the following extract from the Report of the Public Accounts Committee on the Appropriation Accounts for 1872-3:—

"Class IV., Vote 3, British Museum.—The Trustees have, in addition to the amount voted, the disposal of special trust funds, an account of which is annually presented to Parliament, but not to the Audit Office. Your Committee think that it would be well that the

the Treasury should at some future time make inquiries into this and other similar cases, where accountants deal with more than one fund, and have more than one balance, and consider in each case what steps, if any, should be taken."

Your Lordships having requested to be informed of the views of the Trustees as to the measures which should be adopted, not as interfering with their control over the expenditure of the special trust funds in their keeping, but in order to provide against any irregularity which the retention of more than one balance renders possible, the Trustees have directed me to lay the following statement before your Lordships.

It was at the suggestion of the late Mr. Vine, one of the Public Accounts Commissioners, that the balance in the hands of the Trustees in connection with the special trust funds at their disposal was kept quite distinct from the moneys voted by Parliament to the trustees.

The income of the Trust Funds is kept at the western branch of the Bank of England, and operated upon by cheques drawn by myself as Principal Librarian.

The income of the Trust Funds, annually, is as follows:—

Bridgewater Fund:

From dividends, 393 *l.* 10 *s.* 8 *d.*; rent of a real estate, about 35 *l.*

Farnborough Fund:

From dividends, 86 *l.* 3 *s.* 5 *d.*

Swiney Fund:

From dividends, 161 *l.* 1 *s.* 6 *d.*

Birch Fund:

From dividends, 16 *l.* 18 *s.* 3 *d.*

It will thus be seen that the total revenue with which the Principal Librarian, on the part of the Trustees, has to deal in respect to the Special Trust Funds is limited to the sum of about 690 *l.*

These funds are all applied to particular purposes. For instance, of the Bridgewater Fund, 210 *l.*, nearly one-half are appropriated to the payment, in part, of the salary of the keeper of the manuscripts. The balance is expended in the purchase of manuscripts for addition to the Egerton Library. The income from the Farnborough Fund is entirely applied to the purchase of manuscripts. The Swiney Fund is for the payment of the salary of the Swiney Lecturer on Geology. The Birch Fund is distributed among three of the keepers in the Museum.

The Trustees are unable to see where any irregularity can creep in, except by deliberate fraud, and they are protected against misappropriation by the bonds given by the Principal Librarian for the faithful discharge of the duties of his office.

The payment of the 210 *l.* to the Egerton Librarian is shown on the face of the Parliamentary Estimates by way of deduction from the sum voted for the payment of Museum salaries. The payments for manuscripts are made alone on the certificate of the keeper of the Department of Manuscripts, who acts as the Egerton Librarian.

It may be taken for granted that the keepers of departments in the Museum, who are entitled to dividends in respect of the Birch Fund, will always see that such dividends are paid to them.

All payments out of the Trust Funds are annually submitted with the vouchers in support of them by the Principal Librarian to the Trustees, by whom they are regularly audited.

Under these circumstances the Trustees are of opinion that there is already sufficient care taken to prevent any misappropriation or irregularity in connection with the Special Trust Funds, and that the interference of the Audit Office in the matter is not required.

I have, &c.
(signed) *J. Winter Jones.*

The Right Honourable
The Lords Commissioners of Her Majesty's
Treasury.

— 4. —

University of London to Treasury.

University of London, Burlington Gardens, W.
9 March 1875.

Sir,

In reply to your letter of the 17th ultimo (No. 2821—1875), I have to request you to inform the Lords Commissioners of Her Majesty's Treasury, that, as your letter appeared to me to have been framed under a misapprehension, arising out of an erroneous statement in the Report of the Comptroller and Auditor General on the Appropriation

Appendix, No. 4.

Account of the University for the year 1872-3, and as that statement had already been corrected (at my instance) in the Comptroller and Auditor General's Report for the year 1873-4, I thought it better, instead of bringing your letter before the Senate of the University, to communicate with the Comptroller and Auditor General on the subject, and to request from him such a statement of the facts of the case as might prove to the Lords Commissioners of Her Majesty's Treasury that the accounts of the University are kept, and are submitted to audit, in the precise form they desire.

This statement I have the honour to forward to you, and I trust that it will be found satisfactory.

I remain, &c.
(signed) *William B. Carpenter,*
Registrar.

R. R. W. Lingen, Esq.,
&c. &c.

Enclosure in No. 4.

Exchequer and Audit Department, Somerset House,
London, W.C., 8 March 1875.

Sir,

I AM directed by the Comptroller and Auditor General to acknowledge the receipt of a letter from you, dated 26th ultimo, in which was enclosed a copy of a Treasury Letter of the 17th ultimo, containing an expression of the desire of the Lords of the Treasury to be favoured with the views of the Senate of the University of London as to the manner of bringing certain funds to account.

In compliance with a request, contained in your above-quoted letter, to be furnished "with the means of satisfying the Secretary of the Treasury," I am to inform you—

1st. That "an account of fees received by the University, together with that of dividends received from Government Securities," is rendered every month to this department under the head of "Exchequer Extra Receipts."

2nd. That "a certificate of the total amount of such fees, together with that of the dividends on Government Securities, received in each financial year," is annually transmitted to this department by the Vice Chancellor of the University of London.

3rd. That "the total amount of such Exchequer Extra Receipts is paid (usually by quarterly instalments) to the Exchequer."

4th. That "an account of donations received for the library, together with that of the dividends received from the 'Arnott Fund,' is included under the head of 'Deposits,' on the debtor side of the monthly accounts transmitted" to this department.

5th. That "an account of the expenditure in respect of these benefactions is included under the head of 'Deposits,' on the creditor side of the monthly accounts transmitted" to this Department.

6th. That "all these accounts are brought to one balance, which is verified every month by certificate from the Bank of England."

I am to direct your attention to paragraph 2 of the Comptroller and Auditor General's Report to the Committee of Public Accounts on your Appropriation Account, 1873-4, with respect to fees paid over to the Exchequer.

I have, &c.
(signed) *H. Treherne.*

The Accounting Office,
University of London.

— 5. —

Treasury to British Museum.

My Lords and Gentlemen,

Treasury Chambers, 27 March 1875.

I HAVE received and laid before the Lords Commissioners of Her Majesty's Treasury your letter of the 6th instant, forwarding a statement relative to the special trust funds of the British Museum; and I am directed to state that your reply appears to their Lordships to be satisfactory, and that they have given directions for the communication of the correspondence to the Committee of Public Accounts.

I am, &c.
(signed) *James H. Cole.*

The Trustees of the British Museum.

— 6. —

Treasury to University of London.

Sir, Treasury Chambers, 27 March 1875.

I HAVE received and laid before the Lords Commissioners of Her Majesty's Treasury your letter of the 9th instant, relative to certain statements contained in the Reports of the Comptroller and Auditor General, and of the Public Accounts Committee on the Vote for the University of London for 1872-3; and I am directed to state that your reply appears to their Lordships to be satisfactory, and that they have given directions for the communication of the correspondence to the Public Accounts Committee.

I am, &c.
(signed) *James H. Cole.*

The Registrar of the University of London.

— 7. —

Treasury to Charity Commissioners.

My Lords and Gentlemen, Treasury Chambers, 27 March 1875.

WITH reference to Mr. Vane's letter of 26th ultimo, stating in reply to the letter from this department of the 22nd ultimo, that in your opinion the account of charitable funds transferred to the official trustees appointed under the Act 16 & 17 Vict. c. 137, does not fall within the scope of the Public Accounts Committee, I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you that, as explained in the above-quoted letter of the 22nd ultimo, the question on which their Lordships have to satisfy the Public Accounts Committee is not the management of, or the accounting for, the Charity Funds under your control, but the mode in which your total accounts, among which is included a Parliamentary Vote, are kept.

Their Lordships propose, with your consent, to instruct one of the Treasury Officers of Accounts to visit the Charity Commission, and to report to them, for the information of the Public Accounts Committee, on this point only.

I am, &c.

The Charity Commissioners. (signed) *James H. Cole.*

— 8. —

REPORT of Treasury Officers of Account.

"May it please your Lordships, Treasury, 4 May 1876.

"(1.) In our report to your Lordships, dated 4th October 1875, on the subject of the duties of the Official Trustees of Charitable Funds, we fully described the funds (other than the annual grants of Parliament), which are under the control of the Charity Commission, and the mode of dealing with them. We did not, however, specifically advert to the question raised by your Lordships in the Treasury Minute of 15th February 1875, upon the Report of the Public Accounts Committee in 1874 (para. 54), in regard to the steps, if any, necessary to be taken to provide against irregularities which might arise where (as in the case of the Charity Commission) 'accountants deal with more than one fund and have more than one balance.'

"(2.) It will be sufficient here to notice that the moneys and securities, of which the funds described in our report consist, are carried direct to the account, at the Bank of England, of three official trustees, of whom the secretary is one; that no cash whatever (belonging to these funds) is either received or paid at the office of the Commission; that as a rule all principal moneys received are invested for the purposes of the specific trust; the dividends being either regularly paid to persons nominated for that purpose by local trustees, or accumulated for specific objects; and that no payments of money or sale of securities can take place without the signatures of the Secretary, of either one or both of the other official trustees, and of one of the Commissioners.

"(3.) The security for the due administration of these trust funds is in our opinion practically as complete as it can be made; and it would not be possible, for example, to divert any part of the balances of these funds for the purpose of concealing a deficiency in the balance of the voted moneys without the connivance of the two official trustees, who are in no way concerned in accounting for the expenditure of the last-named moneys.

"(4.) The annual grant provides solely for salaries and wages of the staff and other customary office expenses, and the Secretary is the accounting officer. The salaries and,

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as far as possible, other services are paid by the Paymaster General, and imprests of about 200 *l.* monthly are obtained, to provide for the weekly payments in the office to writers and servants, &c. The orders on the Paymaster General are signed by the Secretary and countersigned by one of the Commissioners.

"(5.) The only cash balance (and this is kept by the Secretary) is the inconsiderable sum which is in hand in respect of these imprests and of certain extra receipts of small amount; and no part of the voted moneys could be misused or mixed up with the trust funds without the authority of the Secretary (whose interest is directly opposed to any such transaction), nor without certain detection by the Audit Office.

"(6.) Having regard, therefore, to the entirely separate and independent nature of the trust funds of the Charity Commission, and to the security provided for their due administration, we beg leave to report that it is not in our opinion necessary to make any change with respect to the accounts of these funds."

We have, &c.
(signed) *R. E. Welby.*
Richard Mills.

The Lords Commissioners of Her Majesty's Treasury.

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Appendix, No. 5.

DATE OF CHARGE.

TREASURY MINUTE of 21st June 1876 as to the date at which a certain class of Payments should be recorded against the Votes to which they are chargeable.

MY Lords have before them the Report of the Comptroller and Auditor General on the Appropriation Account of the Customs Department for 1874-5. The Controller and Auditor General calls attention, as he had done in a former Report, to the practice followed by the Customs Dapartment in regard to the date which should govern the charge of payments made by one department for another. That department, in accordance, as they consider, with Treasury instructions, charges payments so made not to the account of the year in which the payment was actually made, but to the account of the year in which repayment was made by the department ultimately responsible. In other words, they treat such payments as only coming into course of payment, and thus becoming chargeable against the Vote, at the time when the department ultimately responsible accepts and adjusts the charge.

In support of this practice, the Accountant General of the Customs, in a letter to the Comptroller and Auditor General, dated the 31st December 1875, refers to the Treasury Minute of 22nd August 1854.

My Lords have before them the correspondence which has passed upon this subject between the Comptroller and Auditor General and their Lordships.

They also refer to the Exchequer and Audit Act of 1866, the 24th section of which enacts that an Appropriation Account of supply grants shall exhibit on the discharge side thereof, the sums which may have actually come in course of payment within the financial year to which the account relates, and further the 32nd section enacts that the Comptroller and Auditor General shall call attention to every case in which a payment charged against a Parliamentary grant did not occur within the period of the account, or was for any other reason not properly chargeable against the grant.

My Lords, after full consideration of the whole circumstances, and of the correspondence which has taken place on the subject, come to the deliberate conclusion that the opinion which they formed and announced in their letter o the Comptroller and Auditor General, dated the 24th June 1871, and which they reaffirmed in their letter to the Comptroller and Auditor General of the 31st March 1874, is correct; and they can only repeat their direction that the departments generally should regard officers who are under their control as sub-accountants, and that the date of payments made by such officers should be the date of charge, but when one department avails itself of the services of another department, not under its own control, in order to make a payment, that the date of payment should be the date on whch the department to be finally charged with the expenditure, gives the order for its repayment to the department which made the advance.

My Lords do not by this decision preclude themselves from dealing exceptionally with exceptional cases, but it appears to them that the general principle is in no respect opposed to the directions of the Exchequer and Audit Act; it enables accounts to be closed earlier than would otherwise be the case, and it is thus in accord with the maxim of

of English finance, which confines the State accounts to cash accounts of sums actually coming in course of payment within the year, and which sacrifices absolute symmetry of account in order to attain the more practical end of a speedy and definitive settlement.

My Lords propose to issue a circular to all the departments, but they will suspend such issue in order to give the Comptroller and Auditor General an opportunity of reply, if he should wish to do so.

Appendix, No. 6.

PAPER handed in by Mr. *Welby*.

Marines at San Juan.

The Treasury Chest Account of 1874–75 shows a sum of 1,615 *l.* 17 *s.* 4 *d.* as due to the chest on account of the expenses of marines at San Juan.

The sum in question is the balance on the 31st March 1871, due by the Colony of British Columbia, in respect of a running account between the Colony and the Imperial Government. The practice had been to draw bills on the Paymaster General for advances to meet the expenses. These advances were charged to the Treasury Chest, and subsequently paid out of Army or Navy Funds on accounts rendered by the Colony.

The marines did not leave the island until November 1872, so that there must be further expenses to set against the balance of the account.

The attention of the Governor General of Canada was called to the matter some time ago, but he has not yet replied, and the Colonial Office are going to send him a reminder by the next mail.

I have &c.

26 June 1876. (signed) *R. E. Welby.*

THIRD

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
29 *June* 1876.

Under 4 *oz*

I N D E X.

[*N.B.*—In this Index the *Figures* in the Analysis of Evidence of each Witness, and those following the Names of the Witnesses, refer to the Questions in the Evidence; those following *App.* (*First Rep.*), *App.* (*Second Rep.*), and *App.* (*Third Rep.*), respectively, to the Pages in the several Appendices; and the *Numerals* following *First Rep.*, *Second Rep.*, and *Third Rep.*, respectively, to the Pages in the Reports.]

A.

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2. Statement on the part of the Audit Office in approval of the Treasury proposals; probable Cost.
3. Question of applying the Scheme to some portion of the Accounts for 1875–76.
4. Objections raised on the part of the War Office.
5. Conclusions of the Committee in strong approval of the Treasury Proposals.

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2. Strong Complaint by the War Office as to the Treasury having paid over to the Exchequer the whole amount paid by India in advance.
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IV. *Snider Rifles.*

V. *Accounts for Shot and Stores.*

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2. Strong Complaint by the War Office as to the Treasury having paid over to the Exchequer the whole amount paid by India in advance:

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2. *Extra Payments to Postmasters and Sub-Postmasters.*
3. *Post Office and Telegraph Buildings.*
4. *Surplus on the Estimates.*
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3. *Mode of charging Interest on Purchase Monies of the several Telegraph Undertakings.*
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5. *Irregular Appointments, and unestablished Staff.*
6. *Case of Mr. Sampson, irregularly appointed.*
7. *Reduction of Claim against the Shropshire Union Canal Company.*
8. *Irregular Payments to the United Kingdom Telegraph Company; Disallowance thereof.*
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REPORT

FROM THE

SELECT COMMITTEE

ON THE

BOULOGNE SUR MER PETITION;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed*,
16 *May* 1876.

Friday, 5th May 1876.

Ordered, THAT a Select Committee be appointed "to consider a Petition addressed to this House by Inhabitants of the Town of Boulogne sur Mer, in France, and to Report upon the advisability of the reception of such Petition by the House."

Select Committee nominated of—

Mr. Walpole.
Mr. Bright.
Lord Elcho.
Mr. Whitbread.
Mr. Bourke.
Sir Charles Forster.
Sir Henry Wolff.
Mr. O'Shaughnessy.
Sir Eardley Wilmot.
Mr. Dodson.
Mr. Secretary Hardy.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Three be the Quorum of the Committee.

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REPORT.

THE SELECT COMMITTEE appointed to "consider a PETITION addressed to the HOUSE by INHABITANTS of the TOWN of BOULOGNE SUR MER, in FRANCE, and to Report upon the advisability of the reception of such PETITION by the HOUSE":——HAVE considered the Matters to them referred, and have agreed to the following REPORT:—

YOUR Committee having taken Evidence, and having searched for precedents, do not advise the reception of the Petition by the House.

16 *May* 1876.

PROCEEDINGS OF THE COMMITTEE.

Friday, 12*th May* 1876.

MEMBERS PRESENT:

Mr. Walpole.	Mr. Dodson.
Sir Eardley Wilmot.	Mr. Secretary Hardy.
Sir Henry Wolff.	Sir Charles Forster.
Mr. Whitbread.	

Mr. SECRETARY HARDY was called to the Chair.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 16*th May* 1876.

MEMBERS PRESENT:

Mr. SECRETARY HARDY in the Chair.

Lord Elcho.	Mr. Dodson.
Sir Eardley Wilmot.	Mr. O'Shaughnessy.
Mr. Walpole.	Mr. Whitbread.
Sir Henry Wolff.	Mr. Bourke.
Sir Charles Forster.	

Sir *Eardley Wilmot*, a Member of the Committee, was examined.

Sir *Thomas Erskine May*, K.C.B., the Clerk of the House of Commons, was examined.

Mr. *Edward Herslet*, C.B., was examined.

REPORT brought up, read a first and second time, and *agreed to*.

Question, "That this be the Report of the Committee to the House,"—put, and *agreed to*.

Ordered, To Report, together with the Minutes of Evidence.

MINUTES OF EVIDENCE.

LIST OF WITNESSES.

Tuesday, 16*th May* 1876.

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MINUTES OF EVIDENCE.

Tuesday, 16*th May* 1876.

MEMBERS PRESENT:

Mr. Bourke.	Mr. O'Shaughnessy.
Mr. Dodson.	Mr. Walpole.
Lord Elcho.	Mr. Whitbread.
Sir Charles Forster.	Sir Eardley Wilmot.
Mr. Secretary Hardy.	Sir Henry Wolff.

MR. SECRETARY HARDY, IN THE CHAIR.

Sir *J. Eardley Wilmot*, Bart., a Member of the Committee; Examined.

Sir *J. Eardley Wilmot*, Bart., M.P.

16 May 1876.

1. *Chairman.*] Is this Petition now before the Committee the Petition which you presented, or were about to present, and which is referred to us?—Yes; that is the Petition.

2. Lord *Elcho.*] From whom did you receive it?—I received it from the English Vice Consul about the 23rd of March; it was at my club for a day or two; I was not able to present it on the day it arrived.

Sir *Thomas Erskine May*, K.C.B.; Examined.

Sir *T. Erskine May*, K.C.B.

3. *Chairman.*] You are Clerk of the House of Commons?—Yes.

4. Have you since this Petition was presented to the House looked into the Journals with a view to see whether any similar Petitions have been received?—Yes; I have had a search made, in the Journal Office, for any precedents that could be found in the Journals; and I have also myself referred to such text books, and other authorities, as appeared to me to be likely to throw any light upon the subject.

5. Have you found any cases precisely parallel with this?—No; I have found none precisely parallel with this. Perhaps I may be permitted to state that the first point which attracted my attention was the ancient form of appointment of Receivers and Triers of Petitions in the House of Lords, which, as the Committee are aware, is a very ancient custom, and one which has been continued, in form, even to the present time. There were Receivers and Triers of Petitions for England, Ireland, Wales, and Scotland; and there were also Receivers and Triers of Petitions for Gascony and other places beyond the Seas, and the Isles. Two matters occur to one, with reference to that form of appointment. The first is that the appointment of Receivers and Triers of Petitions for Scotland was continued when Parliament had ceased to exercise any jurisdiction over that country. I need not say that in Scotland, until the accession of James the First, there was an independent Sovereign and an independent Parliament, and yet this form was continued, under which Receivers and Triers of Petitions were appointed for Scotland. In Ireland the sovereignty of the Crown was maintained, but there was a separate Parliament. The English Parliament, however, asserted its own supremacy. Then with regard to Gascony, and other places beyond the Seas, and the Isles, there can be no question that this expression did not signify, as

Sir *T. Erskine May*, K.C.B.

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it might be interpreted, places abroad generally; but it referred to Gascony, Guienne, Poictiers, Normandy, Anjou, and other possessions of the English Crown in France and elsewhere, and the form was continued without change, notwithstanding that those territories were lost to the English Crown, just as the title of King of France was continued long after every inch of French ground had been wrested from the Kings of England. I think the terms were intended to designate in the words of Lord Coke, "the extent of the jurisdiction of the Parliament of England." It would seem that Parliament intended that the Receivers and Triers of Petitions should receive Petitions from all places over which the Parliament of England had jurisdiction. It cannot be argued that it was intended that Petitions should be received from places over which Parliament had, or claimed, no jurisdiction.

6. At the time that those Receivers and Triers of Petitions were first appointed, did not the Kings of England claim to be Lords of Scotland and Lords of Ireland?—Yes, but as regards Scotland, that claim was afterwards abandoned; and no doubt the truth is this, that Receivers and Triers of Petitions were originally appointed to receive Petitions from those places over which the English Crown had sovereignty, or claimed to have sovereignty; and to which the right of Petition extended.

7. Then coming to more modern times; have you found any Petitions which would throw any light upon the duty of the House as to the reception of this Petition?—There have been great difficulties in making the searches on account of the absence of evidence as to whether the Petitioners were or were not resident in this country. Numerous Petitions from foreigners have been received from time to time; but it frequently happens that we cannot discover whether these Petitioners were in England at the time or not. If the Petitioners are resident in England, there is no question that the Petitions are admissible; they have always been admitted without question. In some of these cases there is no mention whatever of the residence of the Petitioners, but I have endeavoured, in every case, to trace whether the Petitioners were in England when their Petitions were presented, and I have found that there are very few indeed; in fact, I am only aware of two cases in which it distinctly appears that the Petitioners were out of the realm. I have had the precedents collected for the use of the Committee, but I need not trouble them by going through them all. The first Petition which appears to have been received from foreigners resident abroad is a peculiar one, and one which would hardly be regarded as a precedent. On the 15th of February 1648, during the Long Parliament, Lord Joachimi, then the Ambassador from the United Provinces of the Netherlands, presented Petitions, evidently from Dutchmen abroad, complaining of grievances under which they suffered. The mode of presentation was altogether exceptional, and the circumstances were peculiar; but I thought it necessary to mention it, as it is the only case which has been found in any but quite modern times.

8. There practically the Petition came through a foreign officer in this country who represented the United Provinces of the Netherlands?—Yes; he presented the Petition at the Bar, which is a thing altogether unusual and exceptional. Some of these Petitions are quite silent as to the residence of the Petitioners, but I think one may assume throughout that they were, at the time, in England, because they naturally came here to prosecute their claims. Some of them were recommended by the Crown, as they asked to be indemnified out of the public money; and I think it is to be inferred, though the Petitions are silent upon the subject, that the Petitioners were in this country for the purpose of endeavouring to obtain justice. The Committee are already acquainted with the circumstances of the Petition from Crete in 1830–31, which was referred to by the Speaker from the Chair; but perhaps the Committee would like to have the circumstances of that case before them. In that case Lord John Russell presented a Petition from the inhabitants of Crete, complaining of their suffering under the Turkish Government in that island. Mr. Hume "was desirous of knowing whether any person, not being a British subject, had the right to petition the House; and he also wished to know if the Petitioners were British subjects." Lord John Russell said "they certainly were not British subjects, but they thought themselves included in the Treaty of 1827, and were desirous of partaking of its benefits." Mr. North thought "that the limitation to Petitions supposed to exist by the Honourable Member for Middlesex was much too narrow, but it would be at all events desirable that some rule should be laid down on the

Sir *T. Erskine May*, K.C.B.
16 May 1876.

the subject." The Speaker said that "a very important question was suggested to the consideration of the House by the Honourable Member for Middlesex, viz., whether Petitions from persons who neither owed allegiance to, nor could claim the protection of, this country, could be received. The object of the Petitioners was to obtain the interference of the Crown of Great Britain to protect them from the miseries under which they were at the present moment labouring. Was this a Petition at all; and if so, was it not a Petition to the Crown of Great Britain solely? The Petition did not appear to contain any matter which brought it within the jurisdiction of the House of Commons. It commenced 'Honourable Sirs,' and stated that 'in the renowned English people, the lovers of liberty, the patrons and protectors of the injured, the Cretans place their last hope of salvation, looking up to them for the advocacy of the cause of Crete.' It was clear that the Petition could not be received by the House of Commons. It was an address to the English nation." The Committee will observe that the Speaker put the very question to the House, that is now referred to this Committee; but after he had asked the question, he failed to answer it, and ruled that it could not be received, on grounds wholly different from those originally suggested by his question. Lord John Russell said that "after this declaration on the part of the Speaker he could have no hesitation in withdrawing the Petition. Though he had felt that he could not refuse to present a Petition on behalf of persons enduring such great sufferings, he had at the same time had some doubts as to its reception." The O'Gorman Mahon "regretted the decision to which the noble Lord had come. The French Chamber of Deputies did not refuse to receive the addresses of foreign nations." Lord F. Leveson Gower said that "if such addresses were received, it would lead to great confusion in public affairs." That is, practically, the whole debate upon the subject. That is the only case I am aware of, in which the question was presented for the decision of the House; and it was determined, not upon the main issue, but upon incidental and technical points quite distinct from it. The matter, therefore, still remained open for determination. Then setting aside all the doubtful precedents in which it does not appear whether the Petitioners were in England, or not, I come to a recent case in 1871. In that year a Petition of the authorised agent and chief representative of the family of Reiner, in Bavaria, which was dated from Augsburg, in Bavaria, was presented by Mr. Dodson, and printed by the Public Petitions Committee. That is, literally, the only case approaching the present one.

9. Mr. *Walpole.*] What was the nature of that Petition?—It was a Petition asking for justice; it is a very lengthy one.

10. *Chairman.*] What was the nature of the Petition?—It was a Petition claiming an estate in India. The Petition states, "All this I have noted and presented in a memorial to Her British Majesty's Ministry of Foreign Affairs in London, the Privy Council, the Treasury, the India Office, graciously to be estimated and awarded with the request to deliver up to me, as the authorised agent and chief representative of the family Reiner, in Bavaria, the bequeathment aspired after, or the sum redeemed from it." It is a claim, practically, upon the English Government, but the peculiarity of this Petition is, that it is dated from Augsburg, in Bavaria, and was received by the House, and printed by the Public Petitions Committee.

11. Does it appear upon the face of it that the Petitioner was a foreigner?—The heading is this: "A Memorial and Petition of the authorised agent and chief representative of the family of Reiner, in Bavaria, concerning their claims;" and it goes on to say: "I, the undersigned, the authorised agent of the family Reiner, in Bavaria, make lawful claims upon the bequeathment of the General, and Prince of Sirdanha Walter Reynard Somroo, of Johann Reiner, of Mindelzell, in Bavaria."

12. According to that, the Petition might have been drawn up by an English agent who had been instructed by them and appeared for them?—Yes; but, in fact, it is dated from Augsburg, and it plainly appears that he is a foreign agent, in Bavaria.

13. Mr. *Walpole.*] As I understand you, it was the Petition of an authorised agent of a Bavarian family, claiming some right with respect to property which was under the jurisdiction of the British Crown in India?—That, I apprehend, was the case.

Sir *T. Erskine May*, K.C.B.

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14. *Chairman.*] I presume no controversy arose upon this Petition?—None whatever.

15. Is there any other case that you would like to call our attention to?—No. I have here a whole mass of cases; they are voluminous; but having looked through them carefully, I do not think it necessary to trouble the Committee by entering into details, there being no evidence, except in those cases I have mentioned, of the Petitioner having been beyond the realm.

16. You are probably able to tell us that the custom is to print all those that relate to private grievances and claims?—Yes, generally.

17. Mr. *Dodson.*] With regard to those Petitions which you have mentioned, in which it was doubtful whether the Petitioners were residing in the country or not, were not several of them cases of Petitions of foreign soldiers who had been in the British service in the American War and in continental wars?—I have not come across any Petitions of that class. The only Petition of the kind included in this list is one, on the 1st September 1715, from three French regiments of foot, praying for arrears of pay.

18. Sir *Henry Drummond Wolff.*] According to the rules and regulations of the Colonial Office, no Petition can be sent to the Crown except through the Governor of the colony; the rule is as follows: "Petitions addressed to the Queen, or the Queen in Council, to public officers or boards in Her Majesty's Government, &c., must be sent to the Governor for transmission home;" then the reasons are given for requiring the transmission of such Petitions through the Governor: "This rule, requiring the transmission of correspondence with the Secretary of State through the Governor, is based on the strongest grounds of public convenience, in order that all communications may be duly verified as well as reported on before they reach the Secretary of State; it extends, therefore, to communications relating to public affairs as well as the concerns of the writer, to those of all public functionaries of whatever rank, and to those from public bodies;" do you think it would be advisable to institute some rule of that kind with regard to Petitions presented to the House of Commons?—That rule applies to Petitions to the Crown; but colonists are quite free to petition this House directly, without sending their Petitions through the Governor.

19. With regard to British subjects abroad, would not some rule of that kind be a good one to adopt in order to verify the fact of their being British subjects?—That might be so; but as regards the right of petition, there is no question as to the right of colonists and British subjects abroad to petition the English Parliament.

20. *Chairman.*] They might petition against the Governor himself?—Yes.

21. Sir *Henry Drummond Wolff.*] They send Petitions through him?—To the Crown only; but every colonist is a British subject, and can petition this House directly.

22. Mr. *Whitbread.*] Have there been cases in which Parliament has ordered an investigation into signatures attached to Petitions, to see whether they were genuine or not?—Yes.

23. Have such signatures turned out in some cases not to be genuine?—Yes; often.

24. Has the House in such cases ever taken any step with a view to punishing the parties guilty of forging such signatures?—Certainly; on many occasions.

25. Will you describe the nature of the proceedings which have been taken?—Evidence has been taken before a Committee to prove that the signatures were not genuine; and in some cases the persons who have been concerned in the fraud have been punished by the House.

26. In what way?—By imprisonment.

27. Sir *Charles Forster.*] They have been sent to Newgate?—Or given into the custody of the Serjeant-at-Arms, as the case might be.

28. Mr. *O'Shaughnessy.*] You spoke of Petitions to the Crown; have there been any Petitions from foreigners to the House of Lords, the analogy of which might guide us or throw any light upon this matter?—With regard to the House of Lords, a Petition might be presented in the case of a lawsuit, and there is no question that foreigners resident abroad would be entitled to petition the House of Lords in any appeal. I have been looking into that matter, and I find that a foreigner resident abroad is not precluded from bringing an action in

in an English Court. It is laid down by Mr. Lush (now Mr. Justice Lush) that "it is immaterial as regards the right of action that the plaintiff be commorant in foreign parts; the only difference it makes is, that on application in proper time, the Court will stay proceedings until the plaintiff gives security for costs" (Lush's Practice, i., 5).

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16 May 1876.

Edward Hertslet, Esq., C.B., is called in; and Examined.

29. *Chairman.*] You are Librarian of the Foreign Office?—I am Librarian and Keeper of the Papers.

E. Hertslet, Esq., C.B.

30. Are you aware of any case in which a Petition, similar to this, has been presented to the House of Commons?—I am not.

31. Are you cognisant of any cases in which such Petitions have been sent to the Foreign Office?—Yes; there was a case very similar to the present one in 1873, on the occasion of the retirement of Sir William Hamilton, who was then Consul at Boulogne. On that occasion a memorial was addressed to the Foreign Office by the inhabitants of Boulogne in favour of Captain Sadler, who was then unpaid Vice Consul at Boulogne.

32. Did that come direct to the Foreign Office, or through the French Ambassador?—It came direct to the Foreign Office, and was laid before Parliament in answer to an Address to the Crown.

33. Will you be good enough to read it?—The memorial was presented to the House of Commons in return to an Address of the House, dated 23rd June 1873, for "Copy of a Memorial addressed to the Foreign Office by inhabitants of Boulogne, in reference to a recent appointment of Vice Consul at that port." The Memorial ran as follows: "To the Right Honourable Earl Granville, K.G., Her Majesty's Principal Secretary of State for Foreign Affairs.—My Lord, If, in accordance with the rules of the Foreign Office, your Excellency could comply with the wishes of the undersigned, you would, they feel sure, be conferring a great favour on the inhabitants of Boulogne, both English and French. Captain J. Hayes Sadler has lived amongst us for many years respected and honoured. That he has discharged his duties as Vice Consul well, we have every reason to believe; but of this you alone can be the judge. If, under these circumstances, your Excellency could allow Captain Sadler to remain amongst us as representative of the Foreign Office, your Lordship would confer upon us a favour for which we should ever be most grateful." That memorial was signed by Mr. Hankey Williams, magistrate for the county of Monmouth, and 41 others, British and French mercantile firms and private residents. There was another instance in 1875. In that year certain British residents and others at Tours, addressed a Memorial to the Foreign Office praying for the appointment of a British Vice Consul at Tours; that memorial was signed by foreigners as well as by British subjects, and the mayor of Tours signed it, and attached his official seal to it, as in the present instance.

34. Mr. *Bourke.*] Was that memorial sent to Parliament?—No. It was sent to the Foreign Office; it was addressed to the Right Honourable the Earl of Derby, Her Britannic Majesty's Secretary of State for Foreign Affairs.

35. Sir *Henry D. Wolff.*] It was sent to him direct from Tours?—It was enclosed in a letter from Mr. Nicholson, dated from Mount Hecla, Tours; no copy of that Petition was laid before the House.

36. Have you any general rule as to foreigners communicating with the Foreign Office?—Yes. With regard to all applications in England, rules were drawn up in 1849, and all Foreign Ambassadors and Ministers were requested whenever they required information from any department of Her Majesty's Government to make application to the Foreign Office, who they were informed would transmit their communication to the proper department of the Government.

37. That rule applies even in the case of people who wish to see the Government establishment at Woolwich; they apply through their Ambassador?—Yes; this is a copy of the communication which we addressed to all the Foreign Ambassadors and Ministers. "Foreign Office, 31st December 1849.—The undersigned, Her Majesty's Principal Secretary of State, has the honour to inform Ambassador (or Envoy Extraordinary and Minister Plenipotentiary) of at this Court, that some inconvenience and delay has of late

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late been experienced by Foreign Missions at this Court in their communications with Her Majesty's Government, in consequence of their not having addressed their applications for information which they wished to receive to the office of the Secretary of State for Foreign Affairs, which is the proper channel through which all such communications ought to pass. The undersigned has, therefore, the honour to request that in future all applications which the Government of may have to make for any information which it may wish to obtain from any department of Her Majesty's Government may be addressed to the Foreign Office, from whence it will be communicated to the proper department of Her Majesty's Government."

38. You have only given us two cases; those are the only ones of which you have cognisance?—Yes; the only cases in which foreigners have signed the memorial.

39. Have any Petitions that have come direct to the Foreign Office ever been rejected within your knowledge?—Petitions have sometimes been presented to our Ambassadors abroad, and they have refused to receive them or to forward them to Her Majesty's Government. A case of that kind occurred during the Cretan Insurrection in 1866. A Petition was handed to the British Ambassador, at Constantinople, to be forwarded to the English Government; but he declined to forward it, and his conduct in so doing was approved by the Secretary of State.

40. I need hardly ask you whether diplomatic complications might not arise if foreign subjects could forward Petitions without their coming through their authorities?—Yes, they certainly would; but there are cases in which Petitions to Her Majesty's Government have been received directly from the Petitioners. The Nestorian Christians, as well as certain Wallachians, and Circassians, have addressed Petitions to the Government, and those Petitions have been received; but as a rule the receipt of them has been simply acknowledged.

41. Have any of those been presented to Parliament?—Not as Petitions.

42. With regard to this particular Petition, has any foreign Ambassador ever made any suggestion as to the kind of officer we should have at Boulogne; that is to say, whether he should be a vice consul or a consul?—With regard to Boulogne; on the 12th of last month the French Ambassador transmitted to the Earl of Derby a Resolution of the Mayor and Corporation of Boulogne respecting the elevation of the British Vice Consulate at that place to the rank of a Consulate; and his Excellency was informed in reply that the matter should receive due consideration; and the French Ambassador some few years ago sent to the Foreign Office the purport of a Petition which had been drawn up by the Chamber of Commerce and merchants at Lyons, suggesting the appointment of a British consul or consular agent there. This Petition was sent to the French Government, and from thence it was forwarded to the French Ambassador, in London, who presented it to the Secretary of State, and supported the prayer of the Petition.

43. *Chairman.*] In that case were there English signatures as well as foreign; do you remember?—I am unable to say, as no copy of the Petition was sent to the Foreign Office by the French Ambassador.

44. Sir *Henry D. Wolff.*] Have not there been Petitions presented on one or two occasions with regard to commercial matters. For instance, a few years ago, was not there a Petition from German merchants with regard to the brand on Scotch herrings?—In the search which I have made I have not come across such a case.

REPORT

FROM THE

SELECT COMMITTEE

ON THE

BOULOGNE SUR MER PETITION;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
16 *May* 1876.

232.

Under 2 *oz.*

REPORT

FROM THE

SELECT COMMITTEE

ON

BURGHS AND POPULOUS PLACES (SCOTLAND) GAS SUPPLY BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

Ordered, by The House of Commons, *to be Printed*,
6 *April* 1876.

REPORT - - - - - - - - - - - p. v

PROCEEDINGS OF THE COMMITTEE - - - - - p. vi

Wednesday, 15*th March* 1876.

Ordered, That the Burghs and Populous Places (Scotland) Gas Supply Bill be read a second time, and committed to a Select Committee.

Tuesday, 21*st March* 1876.

Committee nominated of—

Mr. Massey.
Mr. Salt.
Sir John St. Aubyn.
Mr. Goldney.
Mr. Rodwell.
Sir Edward Colebrooke.
Mr. Ion Hamilton.
Mr. Campbell-Bannerman.
Mr. Whitelaw.
Mr. Cawley.
Mr. Grieve.
Mr. O'Shaughnessy.
Sir Windham Anstruther.

Ordered, That Three be the Quorum of the Committee.

Thursday, 23*rd March* 1876.

Ordered, That Sir *William Cuninghame* and Mr. *Dundas* be added to the Committee.

Thursday, 16*th March* 1876.

Ordered, That the Petitions from Govan, and Partick, Hillhead, and Maryhill, against, be referred to the Select Committee on the Bill.

Friday, 17*th March* 1876.

Ordered, That the Petition from Glasgow, against, be referred to the Select Committee on the Bill.

Ordered, That the Petitions from Ayr, Airdrie, and Huntley, in favour, be referred to the Select Committee on the Bill.

Monday, 20*th March* 1876.

Ordered, That the Petitions from Dunbar and Selkirk, in favour, be referred to the Select Committee on the Bill.

Tuesday, 21*st March* 1876.

Ordered, THAT the Petition from Dunfermline, in favour, be referred to the Select Committee on the Bill.

Wednesday, 22*nd March* 1876.

Ordered, THAT the Petition from Montrose, in favour, be referred to the Select Committee on the Bill.

Friday, 24*th March* 1876.

Ordered, THAT the Petition from Montrose Gaslight Company, for alteration, be referred to the Select Committee on the Bill.

Tuesday, 28*th March* 1876.

Ordered, THAT the Petition from Portobello, Musselburgh, and Leith, in favour, be referred to the Select Committee on the Bill.

Thursday, 30*th March* 1876.

Ordered, THAT the Petition from Linlithgow, in favour, be referred to the Select Committee on the Bill.

Friday, 31*st March* 1876.

Ordered, THAT the Petition of the Johnstone Gaslight and Coke Company, in favour, be referred to the Select Committee on the Bill.

Monday, 3*rd April* 1876.

Ordered, THAT the Petition from Musselburgh, for alteration, be referred to the Select Committee on the Bill.

Tuesday, 4*th April* 1876.

Ordered, THAT the Petition from Edinburgh, in favour, be referred to the Select Committee on the Bill.

REPORT.

THE SELECT COMMITTEE to whom the BURGHS AND POPULOUS PLACES (SCOTLAND) GAS SUPPLY BILL was referred;——HAVE gone through the Bill, and made Amendments thereunto, and have amended the Title as followeth:—

A BILL to make provision for Lighting Burghs in Scotland with Gas.

6 *April* 1876.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 28*th March* 1876.

MEMBERS PRESENT:

Mr. Massey.	Mr. Cawley.
Sir Edward Colebrooke.	Mr. O'Shaughnessy.
Mr. Dundas.	Mr. Ion Hamilton.
Mr. Grieve.	Sir William Cuninghame.
Sir Windham Anstruther.	Mr. Salt.

Mr. MASSEY was called to the Chair.

The Committee deliberated.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 31*st March* 1876.

MEMBERS PRESENT:

Mr. MASSEY in the Chair.

Mr. Cawley.	Mr. O'Shaughnessy.
Sir Edward Colebrooke.	Mr. Salt.
Mr. Dundas.	Mr. Campbell-Bannerman.
Sir Windham Anstruther.	Mr. Rodwell.
Sir William Cuninghame.	Mr. Ion Hamilton.
Mr. Grieve.	Mr. Whitelaw.

Preamble *postponed.*

Clauses 1—18 *postponed.*

Clauses 19—20 amended, and *agreed to.*

[Adjourned till Wednesday next, at Twelve o'clock.

Wednesday, 5*th April* 1876.

MEMBERS PRESENT:

Mr. MASSEY in the Chair.

Mr. Rodwell.	Mr. O'Shaughnessy.
Sir Edward Colebrooke.	Sir William Cuninghame.
Mr. Cawley.	Mr. Dundas.
Mr. Whitelaw.	Mr. Salt.
Sir Windham Anstruther.	Mr. Ion Hamilton.
Mr. Grieve.	Mr. Goldney.
Mr. Campbell-Bannerman.	

Clause 21.—Amendment proposed, in p. 7, l. 37, to leave out the word "not"—(Sir *Edward Colebrooke*).—Question put, That the word "not" stand part of the Clause.—The Committee divided:

Ayes, 10.	Noe, 1.
Mr. Rodwell.	Sir Edward Colebrooke.
Mr. Ion Hamilton.	
Mr. Campbell-Bannerman.	
Mr. Whitelaw.	
Mr. Cawley.	
Mr. Grieve.	
Mr. O'Shaughnessy.	
Sir Windham Anstruther.	
Sir William Cuninghame.	
Mr. Dundas.	

Amendments made.—Another Amendment proposed, in p. 8, l. 5, to leave out the words

words "the Sheriff"—(Sir *Edward Colebrooke*).—Question put, That the words "the Sheriff," stand part of the Clause.—The Committee divided:

Ayes, 8.	Noes, 4.
Mr. Salt.	Mr. Rodwell.
Mr. Campbell-Bannerman.	Sir Edward Colebrooke.
Mr. Whitelaw.	Mr. Ion Hamilton.
Mr. Cawley.	Mr. Dundas.
Mr. Grieve.	
Mr. O'Shaughnessy.	
Sir Windham Anstruther.	
Sir William Cuninghame.	

Amendments made.—Another Amendment proposed, in p. 8, ls. 13—14, to leave out from the word "shall," to word "company," both inclusive, and insert the words "may present an application to the Board of Trade for a Provisional Order authorising them to erect gasworks, and to manufacture and supply gas within a district, to be defined in such order; and section 4 of the Gas and Waterworks Facilities Act, 1870, shall apply to such application, as if the application under this Act had been made under that Act"—(Mr. *Campbell-Bannerman*),—instead thereof.—Question put, That the words "shall have," stand part of the Clause.—The Committee divided:

Ayes, 6.	Noes, 6.
Mr Salt.	Mr. Rodwell.
Mr. Cawley.	Sir Edward Colebrooke.
Mr. Grieve.	Mr. Ion Hamilton.
Mr. O'Shaughnessy.	Mr. Campbell-Bannerman.
Sir Windham Anstruther.	Mr. Whitelaw.
Sir William Cuninghame.	Mr. Dundas.

Whereupon the Chairman declared himself with the *Ayes*.

Amendments made.—Clause, as amended, *agreed to*.

Clause 22, *disagreed to*.

Clause 23, amended, and *agreed to*.

Clause 24, *agreed to*.

Clause 25, amended, and *agreed to*.

Clauses 26—41, *agreed to*.

Clauses 42—44, amended, and *agreed to*.

Clause 45, *agreed to*.

Clause 46, amended, and *agreed to*.

Clauses 47—61, *agreed to*.

Postponed Clause 1, amended, and *agreed to*.

Postponed Clause 2.—Amendment proposed to leave out sub-section (*a*)—(Sir *Edward Colebrooke*).—Question put, That sub-section (*a*) stand part of the Clause.—The Committee divided:

Aye, 1.	Noes, 9.
Mr. Whitelaw.	Mr. Salt.
	Sir Edward Colebrooke.
	Mr. Campbell-Bannerman.
	Mr. Cawley.
	Mr. Grieve.
	Mr. O'Shaughnessy.
	Sir Windham Anstruther.
	Sir William Cuninghame.
	Mr. Dundas.

Amendment made.—Clause, as amended, *agreed to*.

Postponed Clause 3, amended, and *agreed to*.

Postponed Clause 4, *agreed to*.

Postponed Clause 5, amended, and *agreed to*.

Postponed Clause 6, *disagreed to*.

Postponed Clause 7, amended, and *agreed to*.

Postponed Clauses 8—9, *agreed to*.

Postponed Clause 10, *disagreed to*.

Postponed Clauses 11—16, *agreed to*.

Postponed Clause 17, amended, and *agreed to*.

Postponed Clause 18, *agreed to*.

New Clauses added.

Schedules *agreed to*.

Preamble *agreed to*.

Title amended.

Ordered, To report the Bill, as amended, to The House.

REPORT

FROM THE

SELECT COMMITTEE

ON

BURGHS AND POPULOUS PLACES (SCOTLAND) GAS SUPPLY BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

Ordered, by The House of Commons, *to be Printed,*
6 *April* 1876.

161.

Under 1 *oz.*

SECOND

REPORT

FROM THE

SELECT COMMITTEE

ON

BURGHS AND POPULOUS PLACES (SCOTLAND) GAS SUPPLY BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

Ordered, by The House of Commons, *to be Printed*,
30 *May* 1876.

SECOND REPORT - - - - - - - - - p. v

PROCEEDINGS OF THE COMMITTEE - - - - p. vi

Wednesday, 15*th March* 1876.

Ordered, That the Burghs and Populous Places (Scotland) Gas Supply Bill be read a second time, and committed to a Select Committee.

Tuesday, 21*st March* 1876.

Committee nominated of—

Mr. Massey.	Mr. Campbell-Bannerman.
Mr. Salt.	Mr. Whitelaw.
Sir John St. Aubyn.	Mr. Cawley.
Mr. Goldney.	Mr. Grieve.
Mr. Rodwell.	Mr. O'Shaughnessy.
Sir Edward Colebrooke.	Sir Windham Anstruther.
Mr. Ion Hamilton.	

Ordered, That Three be the Quorum of the Committee.

Thursday, 23*rd March* 1876.

Ordered, That Sir *William Cuninghame* and Mr. *Dundas* be added to the Committee.

Thursday, 16*th March* 1876.

Ordered, That the Petitions from Govan, and Partick, Hillhead, and Maryhill, against, be referred to the Select Committee on the Bill.

Friday, 17*th March* 1876.

Ordered, That the Petition from Glasgow, against, be referred to the Select Committee on the Bill.

Ordered, That the Petitions from Ayr, Airdrie, and Huntley, in favour, be referred to the Select Committee on the Bill.

Monday, 20*th March* 1876.

Ordered, That the Petitions from Dunbar and Selkirk, in favour, be referred to the Select Committee on the Bill.

Tuesday, 21*st March* 1876.

Ordered, That the Petition from Dunfermline, in favour, be referred to the Select Committee on the Bill.

Wednesday, 22*nd March* 1876.

Ordered, That the Petition from Montrose, in favour, be referred to the Select Committee on the Bill.

Friday, 24*th March* 1876.

Ordered, THAT the Petition from Montrose Gaslight Company, for alteration, be referred to the Select Committee on the Bill.

Tuesday, 28*th March* 1876.

Ordered, THAT the Petition from Portobello, Musselburgh, and Leith, in favour, be referred to the Select Committee on the Bill.

Thursday, 30*th March* 1876.

Ordered, THAT the Petition from Linlithgow, in favour, be referred to the Select Committee on the Bill.

Friday, 31*st March* 1876.

Ordered, THAT the Petition of the Johnstone Gaslight and Coke Company, in favour, be referred to the Select Committee on the Bill.

Monday, 3*rd April* 1876.

Ordered, THAT the Petition from Musselburgh, for alteration, be referred to the Select Committee on the Bill.

Tuesday, 4*th April* 1876.

Ordered, THAT the Petition from Edinburgh, in favour, be referred to the Select Committee on the Bill.

Wednesday, 5*th April* 1876.

Ordered, THAT the Petition from Stirling, for alteration, be referred to the Select Committee on the Bill.

Ordered, THAT the Petition from Elgin, in favour, be referred to the Select Committee on the Bill.

Thursday, 18*th May* 1876.

Ordered, THAT the Burghs (Scotland) Gas Supply Bill be re-committed to the former Select Committee, with reference to Clauses 2, 3, 6, 19, 20, 22, 23, 24, 43, 45, and 57, and Schedule B.

SECOND REPORT.

THE SELECT COMMITTEE to whom the BURGHS (SCOTLAND) GAS SUPPLY (RE-COMMITTED) BILL was referred, have made further Amendments thereunto.

30 *May* 1876.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 30th May 1876.

MEMBERS PRESENT:

Mr. MASSEY in the Chair.

Sir Edward Colebrooke.	Mr. Dundas.
Mr. Campbell-Bannerman.	Mr. Salt.
Mr. Whitelaw.	Mr. O'Shaughnessy.
Sir Windham Anstruther.	Sir William Cuninghame.

Order of the House, Thursday 18th May 1876, read as follows:

Ordered, That the Burghs (Scotland) Gas Supply Bill be re-committed to the former Select Committee with reference to Clauses 2, 3, 6, 19, 20, 21, 22, 23, 24, 43, 45, and 57, and Schedule B.

Clause 2.—Amendment made.—Another Amendment proposed, in p. 1, l. 13, to leave out from the word "burgh," to the end of the Clause—(Sir *Windham Anstruther*).—Question put, That the words proposed to be left out stand part of the Clause.—The Committee divided:

Aye, 1.	Noes, 7.
Sir Edward Colebrooke.	Mr. Salt. Mr. Campbell-Bannerman. Mr. Whitelaw. Mr. O' Shaughnessy. Sir Windham Anstruther. Sir William Cuninghame. Mr. Dundas.

Clause, as amended, *agreed to.*

Clause 3, amended, and *agreed to.*

Clause 6, amended, and *agreed to.*

Clause 19, amended, and *agreed to.*

Clause 20, amended, and *agreed to.*

Clause 21, *disagreed to.*

Clause 22, amended, and *agreed to.*

Clause 23, *disagreed to.*

Clause 24, *disagreed to.*

Clause 43, amended, and *agreed to.*

Clause 45.—Amendment proposed, in p. 19, l. 10, to leave out the word "supplied"—(Sir *Windham Anstruther*).—Question put, That the word "supplied," stand part of the Clause.—The Committee divided:

Ayes, 3.	Noes, 4.
Sir Edward Colebrooke. Mr. Campbell-Bannerman. Mr. Dundas.	Mr. Salt. Mr. Whitelaw. Sir Windham Anstruther. Sir William Cuninghame.

Other Amendments made.—Clause, as amended, *agreed to.*

Clause 57, amended, and *agreed to.*

New Clause, "Consideration for gasworks of any company if purchased"—(Sir *Windham Anstruther*)—*added.*

Schedule B. amended, and *agreed to.*

Ordered, To Report the Bill, as amended, to The House.

SECOND

REPORT

FROM THE

SELECT COMMITTEE

ON

BURGHS AND POPULOUS PLACES (SCOTLAND) GAS SUPPLY BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

Ordered, by The House of Commons, *to be Printed*,
30 *May* 1876.

254.

Under 1 *oz.*

REPORT

FROM THE

SELECT COMMITTEE

ON

DEPRECIATION OF SILVER;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
5 *July* 1876.

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Friday, 3rd March 1876.

Ordered, THAT a Select Committee be appointed to consider and report upon the causes of the Depreciation of the Price of Silver, and the effects of such Depreciation upon the Exchange between India and England.

Thursday, 9th March 1876.

Select Committee nominated of—

Mr. Baxter.	Mr. Mulholland.
Mr. Christopher Beckett Denison.	Mr. Fawcett.
Mr. Goschen.	Mr. Cave.
Mr. Kirkman Hodgson.	Mr. Shaw.
Mr. Hubbard.	Mr. Hermon.
Lord George Hamilton.	Sir Charles Mills.
Mr. Massey.	

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Three be the quorum of the Committee.

REPORT.

THE SELECT COMMITTEE appointed to "consider and Report upon the Causes of the DEPRECIATION of the PRICE of SILVER, and the Effects of such DEPRECIATION upon the EXCHANGE between *India* and *England*";——HAVE considered the matters to them referred, and have agreed to the following REPORT:—

YOUR Committee have, throughout their proceedings, steadily kept in view that they were simply charged with an inquiry into the causes of the fall in the value of Silver and its effect on the Indian Exchange, and that the questions referred to them did not include an investigation as to what measures, if any, legislative or administrative, might be contemplated as expedient or necessary under the circumstances.

The condition of the Silver market has given rise to many speculations on the possibility or necessity of action being taken by various countries with respect to their currency, but your Committee, being of opinion that their functions did not extend to the consideration of such suggestions, refrained from examining witnesses on this branch of the subject. In their inquiry into the matters actually referred to them, they have also, as far as possible, avoided the examination of merely speculative views; but in many cases, in the absence of authoritative statistics, they have been compelled to take estimates into their consideration which were more or less matters of opinion.

Your Committee applied to the Foreign Office to procure for them official statistics from various foreign countries on the movements of the precious metals, and on the stocks of Silver coined and in circulation. Their labours have been greatly assisted by the very important information thus obtained. Appendix 20. Appendix 21.

The despatches from Her Majesty's representatives at Paris, Berlin, Washington, and Brussels have been especially valuable. The most important Papers supplied have been printed with the Evidence, but in many cases they were too voluminous for this to be done. The Imperial German Government courteously sent a complete set of all official printed documents bearing on the recent changes in the laws on currency and on banking, including the stenographic Reports of the Parliamentary Debates thereon. The French Government, besides the statistics printed in the Appendix to this Report, furnished the "Minutes of Proceedings" (*procès verbaux*) of the recent Conferences of the members of the "Latin Monetary Union," and have facilitated the inquiry of your Committee in every way. From Belgium your Committee received a set of elaborate and highly valuable documents, entitled "Documents Monétaires," collected and published by M. Malou, Minister of Finance, and now Premier in that country, and presented by him to the Belgian Parliament. They have special reference to the Silver question. Your Committee recommend that all these volumes and papers, though not included in the printed evidence, should be kept in the Library of the House of Commons.

The statistics contained in these foreign documents are naturally given in the currencies of the respective countries to which they relate. Your Committee have found it necessary for purposes of convenience to convert all amounts into sterling money; and, to avoid misapprehension, it should at once be stated that the calculations have been based on the value of foreign coins before the fall in the price of Silver took place.

The fall in the price of Silver, which forms the subject-matter of this inquiry, has been as follows:

Appendix 5 B.

Between 1862 and 1866 the yearly average of the price of bar Silver per ounce standard ranged between											62 *d.*	and 61 *d.*
„	1867	„	1872	ditto							61 *d.*	„ 60 *d.*
In 1873 the yearly average was											59½ *d.*	
„ 1874	ditto										58 5/16 *d.*	
„ 1875	ditto										56⅞ *d.*	
„ 1876 the fluctuations in January were between											56⅛ *d.*	and 54⅞ *d.*
„ „	„			February	„						54⅞ *d.*	„ 53 *d.*
„ „	„			March	„						54¼ *d.*	„ 52¼ *d.*
„ „	„			April	„						54 *d.*	„ 53½ *d.*
„ „	„			May	„						54 *d.*	„ 52 *d.*
„ „	„			June	„						52 *d.*	„ 50 *d.*

A fall from 60½ *d.*, the average between 1867 and 1872, to 53*d.*, the price when your Committee were appointed, represents a depreciation of 12 2/5 per cent.; while a fall to 50 *d.*, the price at the end of June, represents a depreciation of 17⅓ per cent. The price on the 5th July, when this Report was considered, was 48¼ *d.*, representing a depreciation of 20¼ per cent.

The effect on the Indian Exchange was as follows, as shewn by the rate of exchange for bills drawn by the Secretary of State for India on the several Governments in India:

Official Years.

Appendix 26, Table I.

Between 1862–63 and 1866–67 the annual average rate ranged between											1 *s.* 11¾ *d.*	and 1 *s.* 11⅞ *d.*
„	1867–68	„	1872–73	ditto							1 *s.* 10⅓ *d.*	„ 1 *s.* 11¼ *d.*
„	1873–74 the average rate was										1 *s.* 10⅜ *d.*	
„	1874–75	ditto									1 *s.* 10⅛ *d.*	
„	1875–76	ditto									1 *s.* 9⅝ *d.*	

* The rate at which the Government bills were sold in January 1876 was— 1 *s.* 9⅓ *d.*
March „ 1 *s.* 9 *d.*
May „ 1 *s.* 8¼ *d.*
June „ 1 *s.* 8 1/16 *d.*
July „ 1 *s.* 6½ *d.*

Your Committee are of opinion that the evidence taken conclusively shews that the fall in the price of Silver is due to the following causes:

(1.) To the discovery of new Silver Mines of great richness in the State of Nevada.

(2.) To the introduction of a Gold currency into Germany in place of the previous Silver currency. This operation commenced at the end of 1871.

(3.) To the decreased demand for Silver for export to India.

It should be added—

(4.) That the Scandinavian Governments have also substituted Gold for Silver in their currency.

(5.) That the Latin Union, comprising France, Belgium, Switzerland, Italy, and Greece, have since 1874 limited the amount of Silver to be coined yearly in the Mints of each member of the Union, suspending the privilege formerly accorded to all holders of Silver bullion, of claiming to have that bullion turned into coin without restriction.

(6.) That Holland has also passed a temporary Act prohibiting, except on account of the Government, the coining of Silver, and authorising the coining of Gold.

It will be observed that two sets of causes have been simultaneously in operation. The increased production of the newly-discovered Mines, and the surplus Silver thrown on the market by Germany, have affected the supply. At the same time the decreased amounts required for India, and the decreased purchases of Silver by the members of the Latin Union, have affected the demand. A serious fall in the price of Silver was therefore inevitable.

It

* No Bills were sold in February or April. In April and the following months some Telegraphic Transfers were sold at a little under 1 *s.* 9 *d.* in April, a little above 1 *s.* 8½ *d.* in May, 1 *s.* 7¾ *d.* in June, and 1 *s.* 9/16 *d.* in July, respectively.

It is, however, an important and remarkable fact, to which it may be convenient to call attention at once, that, though the increased production of Silver in the United States is a fact beyond question, no actual increase of imports of Silver from the United States to Great Britain has taken place since the year 1873, when the average price of Silver was still 59¼*d.* per oz. Indeed, the amount of the imports into Great Britain from the United States for the year 1875, viz., 3,092,000 *l.*, is the smallest since the year 1869. In the same way, though the new currency laws of Germany affected a vast Silver coinage, the sales of Silver actually made up to the 26th of April in the present year, do not appear to have exceeded 6,000,000 *l.* distributed over several years. Your Committee, in pointing to these circumstances, are far from saying that the impression produced on the minds of dealers in Silver was not justified by the causes in operation.

Appendix 16.

Appendix 7 c.

Aggregate Production of Silver.

Interesting statistics have been submitted to your Committee with regard to the aggregate production, both of Gold and Silver; they have been collected together in a tabular form in Appendix. Calculations have also been put in evidence with reference to the relative proportions in which Gold and Silver have been respectively produced at various periods, and the attention of your Committee was called to the fact, that, speaking very broadly, Silver was produced, as compared with Gold, in the proportion of 3 to 1 during the earlier part of the century; that the proportion fell to ·68 to 1 in 1848; to ·27 to 1, between 1852 and 1856, and that between 1857 and 1875 it gradually rose to ·68 to 1. It will be observed that according to these computations, notwithstanding the late rise in the production of Silver, as compared with Gold, its proportion to Gold is still considerably below what it was in 1848, to say nothing of the period when the proportion was as 3 to 1; and the conclusion seems justified, that a review of the "relations of the metals in times past shews that the fall in the price of Silver is not due to any excessive production as *compared with Gold*." The fact is that, as was correctly pointed out by Mr. Giffen in his evidence, the changes have been *in the uses of the metals*. Gold has come more generally into use than before, and, indeed, the condition of trade and the situation of various countries using Gold and Silver respectively have entirely changed. Arguments based on the relative yield of Gold and Silver Mines have accordingly become very misleading, and your Committee did not think it expedient to pursue this branch of enquiry (complicated as it is by almost insurmountable difficulties of computation) beyond the point to which they have here called attention. They have confined themselves to the consideration of such estimates as bear on the production of Silver.

Appendix 3.

Q. 382 *et seq.*

Q. 425.

Q. 426 *et seq.*

All computations of the aggregate production of any metal over a series of years must be treated with great caution, and as mere estimates. Accurate information as to all sources of supply cannot be obtained, and the inferences to be drawn from such statistics can only be of a general character. With this reservation, your Committee draw attention to the following figures supplied by Sir Hector Hay, an eminent bullion broker, as to the aggregate production of Silver in the world since the year 1852.

In the period 1852 to 1862, the annual production of Silver is estimated to have ranged between 8,000,000 *l.* and 9,000,000 *l.*

Appendix 6 B.

	£.
In 1862 it is believed to have reached	9,040,000
„ 1863 „ „	9,840,000
„ 1864 „ „	10,340,000
„ 1867 „ „	10,845,000

Between 1868 and 1870 the amounts were somewhat lower; since then the figures given, are:—

	£.
For 1871	12,210,000
„ 1872	13,050,000
„ 1873	14,050,000
„ 1874	14,300,000
„ 1875	16,100,000

For the years up to 1873, Sir Hector Hay appears to have included in his totals the amounts given for the United States by Mr. Raymond, the "Com-

missioner for Mining Statistics"; but for the years 1874 and 1875 he had not the final official estimates of that authority before him. Those estimates have now been received, and, when substituted for the figures previously given, bring down the totals:

Appendix 21 (No. 23).

	£.
For the year 1874 to	13,500,000
,, ,, 1875 to	14,200,000

Your Committee, in a subsequent part of their Report, discuss the probable production of the mines of the United States during the last two years, and examine the discrepancies in the various estimates; but even on the basis of the lowest figures, the immense increase from an annual average of between 8,000,000 *l.* and 9,000,000 *l.* to the sum of 14,200,000 *l.*, will be at once observed.

According to every estimate, the increase in the production since 1870 is wholly accounted for by the increased yield in the Mines of the United States.

The latest estimates of the Commissioner for Mining Statistics of the yield of these Mines are the following:*

Appendix 21 (No. 23).

	£.		£.
1859	20,000	1870	3,200,000
1860	30,000	1871	4,600,000
1861	400,000	1872	5,750,000
1862	900,000	1873	7,150,000
1863	1,700,000	1874	6,400,000
1864–1869, average	2,325,000	1875	6,400,000

Appendix 6 B. The production of Silver in Mexico and South America is represented to have been very steady. The annual amount is estimated at 6,000,000 *l.* for the years between 1852 and 1867. It has since been supposed to have fallen to Q. 515. 5,000,000 *l.*, notwithstanding a decided increase in the Caracoles Mines. Except for this circumstance, if the figures are at all trustworthy, the decline in the yield would have been greater.

Appendix 6 B. The Silver production of all other countries has also been represented to your Committee as comparatively stationary since 1862. It is taken at a little over 2,000,000 *l.* annually.

The estimates for the total production are therefore as follows:

In the years previous to any supplies from the United States—

	£.
Mexico and South America	6,000,000
Other Countries	2,000,000
TOTAL £.	8,000,000

In the years 1864 to 1867, when the yield in the United States had considerably developed—

	£.
United States	2,300,000
Mexico and South America	6,000,000
Other Countries	2,000,000
TOTAL £.	10,300,000

In 1872—

	£.
United States	5,750,000
Mexico and South America	5,200,000
Other Countries	2,000,000
TOTAL £.	12,950,000

In 1874—

	£.
United States	6,400,000
Mexico and South America	5,000,000
Other Countries	2,000,000
TOTAL £.	13,400,000

To

* The Statistics are given in dollars in the official paper, and are here converted into pounds sterling, at four shillings a dollar.

To arrive at the present time at the total annual production of Silver, the yield of all other countries should be taken at about 7,000,000 *l.*, and the production of the United States should be added to that amount.

Production of Silver in the United States.

Your Committee have carefully considered:—

1. The yield of the United States Mines during the year 1875.
2. The estimates framed for that yield for the year 1876.

And they have especially examined all the available information officially furnished with regard to the development of the Mines of the Comstock Lode, which have so largely contributed to the total yield.

Your Committee, while they felt the extreme importance of obtaining full information in respect of these Mines, which are certain, in so large a measure, to affect the future price of Silver, nevertheless abstained from calling witnesses with regard to them. They considered that only persons intimately acquainted with the Mines themselves would be competent to speak with full knowledge on the subject; but such persons, unless specially appointed to inspect the Mines by some Government authority, would probably be interested in the success of the Mines, and their evidence could scarcely be treated as altogether impartial.

Unofficial estimates of the value of these Mines, if adopted by a Committee of the House of Commons, might be utilised for speculative purposes, while your Committee would have been without the power to check or substantiate their correctness. On the other hand, your Committee have no hesitation in giving a prominent place in their Report to the official statements made, as to the capacity of the Mines, by Government authorities in the United States. It must, however, be distinctly understood that your Committee, in giving publicity to the information conveyed in these statements, do not in any way make themselves responsible, either for the statistics which are put forward in them, or for the opinions expressed.

The following official documents have been received, extracts from which are printed with the evidence:—

The Report of the Director of the Mint, United States, for 1874–75, containing— A Report of Professor Rogers on the Consolidated Virginia and California Mines, 15th November 1875.	Appendix 9.
Report on Statistics of Mines and Mining in the States and Territories West of the Rocky Mountains, for the year 1874, by R. Raymond, United States Commissioner of Mining Statistics.	Appendix 8.
The Biennial Report of Mr. Whitehill, the State Mineralogist of the State of Nevada for the years 1873 and 1874.	Appendix 11.
The Report of the Secretary of the Treasury on the State of the Finances for the year 1875.	Appendix 10.
Letter from the Secretary of the Treasury, transmitting, in answer to a Senate Resolution of 16th March 1876, a Report of the Director of the Mint, showing the Production of Gold and Silver in the United States and in other Countries of the World, from 1845 to 1875, inclusive.	Appendix 21 (No. 23.)
Reports from Mr. Booker, English Consul at San Francisco, for the years 1871, 1872, 1873, 1874, and 1875.	Appendix 13.

Information as to the new mines is given in most of these documents, but they also furnish valuable data with reference to many other important points connected with the Silver question.

The recent discoveries of highly productive Silver Mines have mainly been on the so-called "Comstock Lode." The director of the Mint states that "the Pacific Coast was surprised by the reported discovery of an ore-body in the Comstock Lode, which surpassed in extent and richness all others previously met with." Of these Mines, the Consolidated Virginia Mine, together with the California and the Best and Belcher (all worked by the same parties), forms the newest and apparently the richest group. Appendix 9.

Mr. Whitehill, the State Mineralogist for the State of Nevada, writing in 1875 of the Consolidated Virginia Mine, states, that "during the past Appendix 11.

"two years (1873 and 1874) this Mine has yielded Bullion to the value "of 5,000,000 dollars, the principal of it since last June. The yield for "September was 562,000 dollars, and for October 610,000 dollars. The daily "yield of the ore is about 400 tons; about 44 per cent. of the value of the "Bullion is Gold. * * * It is estimated that there are standing in the "Mine above the 1,550-foot level, over 43 millions of dollars worth of ore; below "it is as yet incalculable." Mr. Whitehill then proceeds to write of the adjoining Mine, the California, from which it should be particularly observed, no amount of Bullion worth mentioning was raised in 1875. The actual raising of ore has only just begun. Of this Mine, he says "The discovery of rich ore "in this Mine was the result of the developments made in the Consolidated "Virginia. The same body of ore extends from one to the other, and how far "beyond is not yet determined. The first discovery of this ore was on the 1,500 "foot level. The ore here averages 600 dollars per ton. About 10 feet below "the 1,500 foot level, the richest portion of the ore is found. It is said to average "here 1,200 dollars per ton. It has been estimated by reliable persons, that this "bonanza will yield over 100,000,000 dollars."

Appendix 8. Mr. Raymond, the Commissioner of Mining Statistics, in his Report for the year 1874, writes as follows of the same group of mines:—"So far as this "ground has been explored it is impossible to come to any definite conclusion as "to the actual dimensions of the ore-body. . . . . As has been remarked, "the ore varies in quality; extraordinarily rich streaks are met with. In some "places for 50 feet in the cross-cuts the ore assays 900 dollars, and, again, sections "of 200 feet assay 150 dollars;" "on the other hand, in some places the ore "will not assay above 50 dollars." "Fabulous reports and estimates have been "given varying from 150,000,000 to 1,500,000,000 dollars 'in sight.' It is "reasonable to suppose that the ground from the Best and Belcher north line "to the Ophir south line" (apparently the ground of the Consolidated Virginia and the California) "will yield, judging from present developments and present "yield, ore for two years to come at the present rate of extraction, viz., 450 to "580 tons daily. The quality of the ore is a matter of pure speculation. At "present the average is about 150 dollars per ton." "Mr. Luckhardt thinks "that 160 dollars may possibly be an average of the whole mass referred to, "but this is merely a prudent guess." "The California is not yet producing." "In the Best and Belcher, much good ore is anticipated, but the work is pro-"gressing slowly."

An average of 500 tons of ore per day, giving 150 dollars' worth of Bullion per ton, would, taking the year at 300 working days, give an annual yield of 22,000,000 dollars, or 4,400,000 *l.* If, as your Committee have understood, work is not suspended on Sundays, the amount would be considerably larger.

It is important, however, to observe at this point that the bullion produced in most of the Silver mines of the United States, but especially in those of the Comstock Lode, contains a large proportion of Gold. In several of the documents submitted to your Committee, it is stated that one-third of the total value estimated to be produced in the United States should be deducted for Gold, leaving two-thirds for Silver. In the Comstock Lode the value of the Gold contained in the bullion is stated on all hands to amount to nearly 45 per cent. The Director of the Mint of the United States, in alluding in his last Report to "the fabulous accounts which reached Europe of the discoveries made near the
Appendix 9. "close of 1874 on the Comstock Lode," writes: "Some of the accounts not "only placed an excessive estimate on the probable yield of the extensive ore "body, but the *very important fact that the bullion from that source is in value "nearly half Gold, appears to have escaped attention.*" The actual results of parcels of bullion received in this country from the State of Nevada were placed before your Committee, as shewn by account sales, and corroborate the estimate given. Accordingly, when certain Mines, or groups of Silver Mines, in the United States are stated to have yielded a given sum, the fact of Gold entering on so large a scale into the amount must never be forgotten. The omission to take this circumstance into account, and the difficulty of determining what the actual deduction should be in the case of different mines, have caused a great part of the confusion and the discrepancies which are to be found in the various estimates formed of the production of Silver in the United States.

Taking

Taking 45 per cent. as the proportion of Gold in the mines of the Comstock Lode, the estimate of the annual product must be reduced from 22,000,000 dollars to 12,100,000 dollars, *i.e.*, from 4,400,000 *l.* to 2,420,000 *l.*

In the latter part of the year 1865, the Director of the Mint himself visited these mines, and your Committee, therefore, think it right to give his account of them almost in full:

"*New and Extensive Developments of Precious Metal Ores on the Comstock Lode.*

"It was a curious coincidence that, about the time the new spacious Mint at San Francisco was completed, and increased facilities given the Carson Mint by the duplication of its coining machinery, the Pacific coast should be surprised by the reported discovery of an ore body in the Comstock Lode which surpassed in extent and richness all others that had been previously met with. Appendix 9.

"Since the usefulness of those Mints to the country at large, and more especially California and Nevada, depended upon the supply of the precious metals which they receive for manipulation, it was important to ascertain how far the expectations of an abundant supply from that source were likely to be realised. Additional interest was given to this discovery in consequence of the passage of an Act of Congress looking to preparations for a return to specie payments.

"In view of these facts, and being in California during the summer on official business, I felt it my duty to obtain correct information respecting the extent of the ore body and its prospective yield of bullion. I accordingly sought a conference with the managers of the Consolidated Virginia and California mines, in which the discovery was represented to have been made, and explained to them my views, stating that the information sought was deemed important for the use of the Government.

"The gentlemen applied to cheerfully acquiesced in my wishes, and volunteered every aid they could give in promoting my object, offering to allow me to select any one whom I thought proper to go into the mines for the purpose of making full observations and measurements, and to take specimens from the several drifts, cross-cuts, and winzes for assay, representing, as nearly as could be obtained, an average of the ore body.

"In view of this offer, I determined to make a personal inspection of these mines, and to call to my aid the services of Professor Robert E. Rogers, who, as before stated, had been selected for the important duty of superintending the equipment of the refinery in the new mint at San Francisco. The annual settlement of the San Francisco Mint having been completed, I visited Virginia City, in company with Professor Rogers, on the 16th day of July. After spending a day in examining the topography of the locality, and the general course of the Comstock Lode, as exhibited by the workings along its line, we entered the mines, and on the first day examined the drifts and cross-cuts, which had been made on the 1,400, 1,500, and 1,550 feet levels, observing the course of the same, and making such a collection of specimens as seemed to us to represent an average of the character of the ore body. Upon comparing our views, it appeared that there were some points which needed a further and corroborative inspection, and accordingly the next day Professor Rogers repeated his visit into the mines, settled the points that had been omitted on the first day, and gathered a second extensive collection of specimens for assay.

"Before we left Virginia City for San Francisco, the superintendent of the mines placed in our hands certified surveys, exhibiting the direction, relative position, and length of the galleries, cross-cuts, and winzes of the different levels. These surveys were taken to San Francisco for careful examination and study.

"On the 26th of August, having official business at the Carson Mint, I again visited the mines, repeated their inspection, and examined especially the explorations which had been made since my previous visit, taking specimens from them for assay.

"At my request, the superintendent of the mines has furnished a statement shewing the explorations and developments made from 26th August, the date of my last visit, up to the 2nd instant (November).

"In the meantime, the assays of the specimens taken have been made under the supervision of Professor Rogers.

"With the data thus obtained, we have been able to arrive at somewhat definite conclusions as to the probable yield of these mines. These conclusions are embodied in a Report by Professor Rogers, herewith submitted, and in which I concur."

* * * * *

"*H. R. Linderman*, Director of the Mint."

Professor Rogers had reported as follows:—

* * * * *

"My explorations through these Mines were accomplished during two prolonged visits, made on separate days; one in company with yourself, and the other under the guidance of the Superintendent. This was a work not merely of a general or superficial character, but of careful and laborious investigation, in which all the galleries and cross-cuts on the different accessible levels were critically inspected and scrutinised with reference to the body of ore that might be within view, and its appearance in point of quality. Appendix 9.

* * * * *

"The following brief description of the position of these Mines, which lie in the same general line of ore body that constitutes what is commonly known as the 'Comstock Lode,' may aid the mind in forming a better idea of their nature, and will serve to explain the principles which have guided the Engineers and Superintendent in laying off the work for exploring their extent and mining the ore.

"The surface of the whole country around Virginia City is rough, broken, and hilly. At this immediate locality there is a long lofty range extension of the Washoe Mountains, at places many hundred feet in elevation above the plain, whose steep slope to the valley below faces towards the east, and whose general trend is north and south. About midway up the slope the croppings of the ore of these and of many other Mines of the Lode are visible.

"The first excavations which were made in the early workings here were upon these croppings, but in due time it was discovered that the ore-body dipped toward the east in a measure parallel with the surface of the mountain-side, though having no physical nor geological relation to that superficial outline. As a consequence of this discovery, the present shaft, known as that of the Consolidated Virginia Mine, was sunk at a point down the slope many hundred feet to the east of its outcropping.

"It is from this shaft that all the ore from the Consolidated Virginia and California Mines has been lifted, until the recent fire, which destroyed the hoisting-machinery.

"The slope of the ore-body of these Mines is from 40° to 47° towards the east, and its trend or line of length is nearly north and south, or in the direction of the line of the containing mountain-like range.

"This being the relative position of the vertical shaft to the sloping body of ore, it is evident that no ore would be looked for in the descent until several hundred feet had been reached. In point of fact 1,300 feet of rock were passed through before any horizontal drifting was done to intercept the ore.

"Ore of profitable richness having been met with at this level (the 1,300 feet level, as it is called), the shaft was sunk to the depth of 100 feet more, and a similar horizontal drift run in to test the continuance of the ore. Finding that the ore-body on this the 1,400 feet level was undiminished in abundance, and richer than that on the 1,300 feet level, the shaft was carried down a second 100 feet, with a view to explore a 1,500 feet level; and finally, under the encouragement afforded in every successive foot of descent, a double winze has been put down recently in the California Mine to a depth of 110 feet below the 1,550 feet level.

"The shafts having been sunk successfully to the depths here indicated, the principle adopted for exploring and probing the extent of ore on each level was to run galleries and cross-cuts. * * * * *

"In the brief narrative of the progressive development of the mines above given, it is seen that by this only safe and satisfactory mode of testing the length, depth, and width of the ore-body, it has been rendered possible to block out in cubes of a hundred square each, the metal-bearing mass so far as penetrated to view, and to thus reach an approximate estimate of the probable aggregate ultimate product of Gold and Silver from these Mines.

* * * * *

"In speaking of these Mines they have been referred to here in language common to both. The line which divides them is only a property boundary, there being two companies, but under one management. The ore is of the same character, and the east and west walls identical for them both.

"The claim of the Consolidated Virginia Mine is 710 feet long, and that of the California Mine is 600 feet. The explored width of the ore-mass on the 1,500 feet level averages 250 feet.

"With the data in our possession, and the maps before us, I may venture upon the following calculations, and estimate the total ultimate product of the Gold and Silver of the ore-body of these two Mines.

"On an inspection of the official surveys exhibiting the galleries and cross-cuts, it would seem fair to conclude that, with proper allowances, the ore-body equals an amount which, taken at the actual assays, would give as the ultimate yield of the two mines, 300,000,000 dollars; but, to guard against a chance of over-estimating, I take the assays at one-half that ascertained, which will place the production at not less than 150,000,000 dollars.

"With a view to make due allowance for interruptions to the continuity of the body of ore which lies between the 1,500 and 1,400 feet levels, the whole of the ore contained between the 1,400 and 1,300 feet levels is thrown in, and not embraced in the estimate. It may also be stated that the very promising ore developments below the 1,550 feet levels, the assays of which run very high, have also been omitted in the calculations.

* * *

"Hon. H. R. Linderman,
Director of the Mint.

"*R. E. Rogers,*
15 November 1875."

The ultimate total yield of the Mines is thus estimated at the very least at 150,000,000 dollars. If 45 per cent. be deducted for Gold, the calculated amount would be 82,500,000 dollars, or 16,500,000 *l.*, worth of Silver.

Your

Your Committee have thus extracted calculations from official sources, and have shewn how those calculations work out; but it must be understood that they have no other means of judging of the correctness of the figures than any reader of the Reports which have been cited. They proceed to state what the Mines are reported to have actually yielded in 1875, and during the first quarter of 1876.

The Report of the Director of the Mint for the fiscal year ending 30th June 1875, gives, in the table of the yield of the State of Nevada, about 11,500,000 dollars as the estimated product of the Consolidated Virginia Mine. But for the year ending 31st December 1875, the report of the Company owning the Mines states that it yielded 17,000,000 dollars. The actual dividends paid are stated to have been 12,000,000 dollars. More would have been produced, but for a fire which occurred on the 26th October 1875, and stopped all work till the 13th December. The amount of 17,000,000 dollars represents 3,400,000 *l.* but deducting 45 per cent. for Gold, it becomes 9,350,000 dollars, or 1,870,000 *l.* of silver.

The result of three months' working, in the year 1876, has been forwarded to the Director of the Paris Mint by Colonel Jules Berton, the President of the *Bureau des Mines des Etats du Pacifique*. This gentleman has no mission from the French Minister of Finance, but the Mint Administration has requested him to procure any information he can gather in the United States on the monetary question. Monsieur Berton, in his letter, dated Virginia (Nevada), 5th April 1876, writes to the Director of the Mint, as follows :— Appendix 15. Appendix 21. (No. 3.)

" I have the honour of forwarding to you, in anticipation of my detailed Reports on the great Silver Mines of Nevada, which I have examined during my stay in this State, a fresh notice of the production of the precious metals during the month of March. I will concern myself for the present only with the Consolidated Virginia Mine, of which the wealth appears boundless, and surpasses by much that of the other mines, except the California, which promises results just as extraordinary, but which will not be in working order for some weeks.

" As I had the honour of informing you in my last notice, the production of the Consolidated Virginia Mine has again increased during the month of March, in proportions which have never been reached by the richest mines of the world. The following extraordinary results were obtained during the month :—

" Nine hundred and eighty-one bars of precious metal,—

		Dollars.	*Cents.*	£.
Value in Gold - - - -	45 per cent.	1,636,917	56	(327,000)
Value in Silver - - - -	55 „	1,997,301	36	(499,000)
Total Value, Gold and Silver - - -		3,634,218	92	(826,000)

* * * * *

" The production of the Consolidated Virginia Mine during the first three months of 1876 is divided as follows:

	Dollars.	*Cents.*
January - - - - - - -	1,796,726	99
February - - - - - - -	2,831,930	44
March - - - - - - -	3,634,218	92
	8,262,876	35"=(1,650,000 *l.*)

The yield, if continued on the scale of these three months, would be about 33,000,000 dollars for the year, or 6,600,000 *l.* Deducting 45 per cent. for Gold, the Silver produced would amount to 18,150,000 dollars, or 3,600,000 *l.* a year.

Your Committee present these figures as they have received them. Bearing in mind that the California Mine is stated " not to be as yet in working order," the yield as given in this statement appears greatly to exceed the estimates found in the various official Reports.

The following is a recapitulation of the estimates and facts thus adduced with regard to these mines:—

Annual Yield:

For 1873 and 1874 - 5,000,000 dollars (1,000,000 *l.*) value of bullion. (State Mineralogist.)

For the year ending June 1875 - 11,000,000 dollars (2,200,000 *l.*) value of bullion. (Report of Director of Mint.)

Year 1875,—	£.	
Actual result, 17,000,000 dollars (3,400,000 *l.*) value of bullion -	1,870,000	Silver only.
Estimate for 1876, on Col. Berton's Report of first three months, 32,000,000 dollars (6,400,000 *l.*) value of bullion - - -	3,630,000	

Daily Yield of Ore in Tons:

Estimate in Mr. Raymond's Report, written early in 1875, 450 to 580 tons daily, average value, 150 to 160 dollars per ton.
Annual yield on this basis, 22,000,000 dollars (4,400,000 *l.* „ - 2,420,000 „

Ultimate Yield:

Report of Professor Rogers, adopted by Director of Mint, "Consolidated Virginia" and "California" Mines, ore-body equals an amount which at actual assays would give 300,000,000 dollars (60,000,000 *l.*) as ultimate yield; but, to guard against over-estimating, takes the assays as giving 150,000,000 dollars (30,000,000 *l.*). This represents *in Silver only* - - - 16,500,000 „

State Mineralogist estimates ultimate yield of "California" Mine at $100,000,000 (40,000,000 *l.*), and estimated ore-body of "Consolidated Virginia" standing in sight above the 1,550 foot level, at $43,000,000 (8,600,000 *l.*). Below that level it is incalculable."

The extracts given from the Reports which have been quoted apply in the main to two mines only of the whole number which are situated in the Comstock Lode, but in many passages of the official documents reference is made to the mines of the Comstock Lode as a whole, and estimates are given of their total produce. In the Report of the State Mineralogist an interesting statement is inserted in respect of the mode of formation of the Comstock vein, and the ore-bearing character and distribution of ore, written by Baron Richtofen. It will be found in the Appendix.

Appendix 11.

Appendix 13*.

A Tabular Statement in the Appendix brings together a number of facts extracted from various official sources, and from the evidence given before your Committee, on the mines of the Comstock Lode. These mines are in Storey County* in the State of Nevada; but there are other Silver mines besides in other counties of the State.

Appendix 8.

With regard to the total produce of all the mines in the Comstock Lode, of course including the Consolidated Virginia and California, Mr. Raymond quotes an estimate for the year 1875 of 50,000,000 dollars (not deducting proportion of Gold), adding that, "this is but the commencement of a new era in the mining interests of this State."

Appendix 9.

The Director of the Mint, whose report generally appears to be characterised by much caution, writes; "The total production of all the mines in the Comstock "Lode may be safely estimated at not less than 50,000,000 dollars (10,000,000 *l.*) "per annum, about 45 of which will be Gold. In this connexion it is interesting "to add that a production nearly equal to that estimated for the Comstock Lode "may be anticipated from other domestic sources during the year 1876." The amount of 50,000,000 dollars (10,000,000 *l.*) would give of Silver 27,600,000 dollars (5,500,000 *l.*) If a "production nearly equal to this," say 4,500,000 *l.*, were added for "other domestic sources," the total estimated product of the United States for 1876 would be 10,000,000 *l.*

But the amount of 4,500,000 *l.* for other domestic sources beyond the Comstock Lode seems rather high, looking to the figures of Dr. Linderman himself,

* Several small mines of the Comstock Lode seem to lie beyond the boundary of Storey County, and, on the other hand, Storey County includes several mines not in the Comstock Lode, but the yield in both these cases seem so small compared with the general production, that in the following calculation the yield of Storey County and of the Comstock Lode may be treated as practically identical.

himself, for the fiscal years 1874-75. The Tables in his Report give the following results :—

> " Total estimated domestic production of the precious metals for the year ending 30th June 1875, $ 71,946,615.
> " Of this amount, it is estimated that about $ 40,000,000 was Gold."

The total amount of Silver produced in the United States was therefore 32,000,000 dollars.

In another part of the Report, the total production of Silver bullion in the State of Nevada for the same period is given at about 32,000,000 dollars, with the note " of this total about 10,000,000 dollars was probably Gold." This amount of 32,000,000 dollars gross Bullion yielded in the State of Nevada, must not be confounded with the net amount of 32,000,000 dollars net Silver, the aggregate amount of Silver produced in the United States. But it is clear that if the State of Nevada alone yielded 22,000,000 dollars of net Silver, the total amount of the remaining States could only be 10,000,000 dollars.

The question then arises, how much of the 22,000,000 dollars of net Silver, produced in Nevada, came from the Mines of Storey County, and must be set down to the Comstock Lode. The statistics of the separate counties allow this question to be answered. In the total of the State of Nevada, Storey County is included as yielding about 24,000,000 dollars gross Bullion. Taking the general proportion of one-third for Gold, though the Mines of Storey County really yield a higher proportion, Storey County would have yielded 16,000,000 dollars net Silver, leaving 6,000,000 dollars for the rest of Nevada, and the result is as follows :—

	Dollars.
Storey County - - - - - - - - -	16,000,000
Other Counties of Nevada - - - - - - -	6,000,000
Remaining States of the Union - - - - - -	10,000,000
Dollars.	32,000,000

According to these figures, Storey County would have yielded exactly half of the whole amount of Silver in this particular year, but the whole product of the rest of the Union did not exceed 16,000,000 dollars, or 3,200,000 *l.* No large increase being reported elsewhere than in Storey County subsequent to June 1875, the expectation of a total of production equal to that of the Comstock Lode from other domestic sources, after the great development of the latter, appears somewhat sanguine.

The description of the Comstock Lode, and the estimates of its yield, have thus led to the larger question of the total production of the United States. It has just been stated that for the year 1876 the figures of the Director of the Mint, point to a sum of about 10,000,000 *l.* For the year 1875 the official figures give a much smaller sum.

Dr. Linderman's Report for the year ending 30th June 1875, gives, as has been shewn, an amount of 32,000,000 dollars, or 6,400,000 *l.* for Silver, after deducting Gold. Later official information is contained in the enclosures of a letter from Mr. Bristow, the Secretary of the Treasury, addressed to the President of the Senate, dated 18th May 1876. A tabular statement there given, apparently compiled on Mr. Raymond's figures, gives the totals for the years 1874 and 1875, each as 32,000,000 dollars, or 6,400,000 *l.*, while that for the year 1873 is given at a higher figure, viz., as 35,750,000 dollars, or 7,150,000 *l.*

Appendix 9.

Appendix 21. (No. 23.)

These figures appear somewhat remarkable —

First, because the *same* amount is recorded both for the years 1874 and 1875, and for the fiscal year ending 30th June 1875, whereas there had been an acknowledged considerable increase in the yield of the Comstock Lode.

Secondly, because, far from any allusion being made to any falling off since 1873, the fact of increased production is throughout assumed.

Thirdly, because the Director of the Mint himself puts forward an estimate for 1876, which, assuming an amount of 50,000,000 dollars, including Gold, or 27,000,000 dollars of Silver alone, as the probable yield of the Comstock Lode, and anticipating for the same year a production " nearly

"equal to that from other domestic sources," must be taken to result in a total of not less than 50,000,000 dollars, against 32,000,000 dollars for the preceding year.

Your Committee are disposed to think, that if the latest estimates are correct, the practice of allowing for the Gold contained in the bullion, has for the first time been regularly introduced in the later years, and that this is the reason of the apparent decline in the yield of silver alone since 1873.

They are strengthened in this view by another official estimate, also contained in the letter from Mr. Bristow to the President of the Senate, and prepared by another Government official, Mr. Young, the "Chief of the "Bureau of Statistics." Mr. Young's and Mr. Raymond's statistics are respectively as follows:

	Mr. Young.	Mr. Raymond.
	Dollars.	*Dollars.*
1873 - - - - - -	27,300,000	35,750,000
1874 - - - - - -	31,100,000	32,000,000
1875 - - - - - -	34,300,000	32,000,000

Mr. Young's figures thus showing that gradual increase which appears on all sides to be assumed, and bringing up the total for 1875 to nearly 7,000,000 *l.*

Appendix 14. The Agents of the Messrs. Rothschild, who have kindly placed their information at the disposal of the Committee, give the figure of 7,000,000 *l.* as official, and in a note indicate that even from that figure a deduction must be made for Gold. Consul Booker's reports point in the same direction.

Appendix 12. A San Francisco journal, in an apparently carefully compiled review, gives the amount for the year ending 31st December 1875 at about 11,600,000 *l.*, but this amount clearly includes the large proportion of Gold contained in the Silver Mines of the Comstock Lode. If one-third is deducted for Gold, the amount is reduced to about 7,700,000 *l.*

Your Committee, in view of these divergent estimates, have applied a test of a different kind. They have examined the information furnished as to the *disposal* of the Silver produced during the year 1875. The following is the result:—

Appendix 21. (No. 23.)

			Dollars.
Estimated amount used for manufacture in the United States -			6,000,000
Bought by the United States Government for coinage purposes - - - - - - - - - - -			12,000,000
	Dollars.		
Exported to China - - - - - -	6,500,000		
„ „ United Kingdom - - - -	15,500,000		
			22,000,000
			£.
	Dollars.		40,000,000=8,000,000

It would appear that an estimate of 6,000,000 dollars for manufacturing purposes in the United States is very high compared with the corresponding estimates given for European countries; but even if half of this estimate be deducted, the total thus accounted for would be 7,400,000 *l.*

These figures cannot, of course, be regarded as in any way decisive, as a portion of the Silver bought and exported was doubtless taken from the stock produced in 1874, while, on the other hand, there is nothing to show what stock was carried over to 1876; but they certainly seem to indicate that Dr. Linderman's figures of 32,000,000 dollars or 6,400,000 *l.* are possibly within the mark.

Your Committee feel that it is of comparatively trifling importance as an historical fact, whether the Silver produce of the United States in 1875 amounted to 6,400,000 *l.*, or to a million more. To the outside market what is really important is the amount which was exported by the United States, and this is accurately known. But your Committee have deemed it advisable to deal fully with the foregoing estimates, partly for the sake of such light as they may throw on the probable production of 1876, and partly for the sake of dispelling the somewhat exaggerated view of the amount produced, which had been called forth by the publication of very high estimates unaccompanied by any allowance for the Gold contained in such amounts.

Appendix 14. With regard to the probable yield of Silver for 1876, the Agents of Messrs. Rothschild

Rothschild write on the 17th March from San Francisco, that they had estimated it at about 40,000,000 dollars (8,000,000 *l.*), and "had every reason to think their "figures to be as correct as possible, having made personally the most diligent "inquiries." They enclose a statement of the production from 1860 to 1876, inclusive, giving 50,000,000 dollars (10,000,000 *l.*) as the estimate for the latter year, adding that it is "estimated from present developments in the Mines "as given by the United States Commissioner of Mining Statistics." In the same letter they say, "The production of Silver bullion is estimated at 50,000,000 "to 55,000,000 (dollars), from which are to be deducted 15,000,000 Gold con- "tained in the same, leaving the production of Silver proper about 40,000,000. "From present developments of Silver ore in the principal Mines, it is nearly "certain that the production of Silver will be maintained at the present figures "for several years to come."

The estimate of the Director of the Mint has already been quoted and examined. His language implies an expected production of about 10,000,000 *l.*, but the basis on which this estimate was founded seems scarcely to justify so high an amount; nevertheless, looking to his opinion, and especially to the latest information given as to the yield of the Consolidated Virginia Mine, the estimate of 8,000,000 *l.* given in Messrs. Rothschild's Agent's letter, seems very moderate. Appendix 9.

On the whole, your Committee are of opinion that the total product of the United States could not be safely estimated at less than 9,000,000 *l.*

It will be remembered that the production of Silver in the world, exclusive of the United States, was estimated at 7,000,000 *l.* If 9,000,000 *l.* be produced in the United States in 1876, the total would be 16,000,000 *l.*, *provided the fall in price and the development of the Nevada Mines do not discourage the production in Mexico and elsewhere.*

It may fairly be expected that the fall in the price of Silver will, to a certain extent, decrease the production. No inquiries made in London would have been likely to supply trustworthy data for determining what price is necessary to ensure the continuous working of the Mexican Mines, which yield a large proportion of the Silver produced elsewhere than in the United States. But there is reason to think that the profits in Mexican Mines have not been so great as to warrant the belief that a fall of 15 per cent. would have no effect on the production. At the same time it must not be overlooked that in all mining operations the working of Mines is often continued for many years after it has ceased to be remunerative, in the hope of richer ore, or a rise in price, once more securing adequate profit. Still it may reasonably be inferred that, if the Nevada Mines should yield as much as is anticipated, some effect will, sooner or later, be seen in the production elsewhere. It is stated that the Nevada Mines themselves shew so large a profit that even a much greater depreciation in the price than has yet occurred would not check the works. This seems to be corroborated by the fact that 12,000,000 dollars could be paid away during 1875 in dividends to the shareholders of the Consolidated Virginia Mining Company out of a total production of 17,000,000 dollars.

Your Committee now turn to the question as to how far the supplies from the new Mines are likely to reach and affect the European market.

The fact has already been stated that, notwithstanding the new discoveries, the export of Silver from the United States into the United Kingdom were smaller in 1875 than in any year since 1870. The Board of Trade returns give the following figures as the imports into the United Kingdom from the United States: Appendix 25, Table B.

	£.
1870	3,385,000
1871	5,690,000
1872	4,575,000
1873	5,990,000
1874	3,475,000
1875	3,090,000

In the year 1869 these imports were only 1,108,000 *l.*, but the foregoing table shows that during the last two years there has been a great diminution as compared with the previous three years, when the price of Silver was still about 60 *d.* an ounce.

The official figures furnished by Sir E. Thornton show similar results in the *total exports* from the United States, viz. :

	Silver Bullion and Coin.	
	Dollars.	£.
Fiscal year ending 30th June 1873 - - -	39,720,000	= 7,950,000
„ „ 1874 - - -	*37,242,000	= 7,450,000
„ „ 1875 - - -	25,151,000	5,030,000
For the eight months ending 29th February 1876, the amount given is - - - - - -	16,285,000	
Add for the remaining four months, assuming the same scale - - - - - - - -	8,142,000	
TOTAL for 1875-76 - - -	24,427,000	= 4,880,000

The foregoing figures appear to apply to "gross exports," but in the Appendix will also be found the official statement of the Chief of the Bureau of Statistics, in which both exports and imports are given. The surplus of exports over imports is the most correct mode of calculation.

Appendix 21 (No. 23).

The following is the excess of exports over imports of Silver during four years :—

	Dollars.	£.
1871-72 - - - -	25,302,543	= 5,060,509
1872-73 - - - -	26,953,869	= 5,390,674
1873-74 - - - -	23,636,216	= 4,727,243
1874-75 - - - -	17,947,241	= 3,589,448

Of the total exports, it should be observed, that more than 1,000,000 *l.* per annum is exported to Japan and the East. It will be seen, on a general review of these figures, that, so far, the *latest* increase in the new mines has not thrown any additional supplies on the European markets.

The cause of the diminished export of Silver, notwithstanding the increased production, is to be sought in the coining operations of the United States Government, and is due in the main to an Act passed for substituting Silver coin for the paper "fractional currency." Your Committee refer on this head to the information supplied to them by Sir E. Thornton.

Appendix 21 (No. 22).

It appears that in the nine months ended March 31, 1876, 4,801,700 trade dollars and 8,537,500 dollars of subsidiary Silver coin had been coined, *i.e.*, a total of 13,338,000 dollars, or about 2,667,000 *l.* It will be remembered that 12,000,000 dollars or 2,400,000 *l.* of Silver bullion had been stated to have been bought by the Government in the year 1875. The following important statements are contained in a communication made to Sir E. Thornton by the Director of the Mint.

"It is expected that the substitution of subsidiary Silver coin for the "fractional currency now outstanding will be commenced soon, and continued "until the notes are all withdrawn. The amount of fractional currency out-"standing is about 40,000,000 dollars (8,000,000 *l.*) The amount of Silver "coin now on hand for the redemption of the fractional currency is 14,000,000 "dollars. This coinage, it is probable, will hereafter amount to, say, 1,500,000 "dollars per month."

"After the redemption of the fractional notes, Silver coin can only be issued "at par."

"It is probable that, after redemption, about 75,000,000 dollars of Silver coin of limited tender will be used in the United States." (The Act fixes the limit of legal tender for this coin at 20 dollars, *i. e.* 4 *l.*) "Silver from present appear-"ances is not likely to be made a full legal tender in the United States. Its use, "*subordinate to gold*, is likely to be larger than in some other countries, and the "fabrication

* This amount does not agree with that given by the Chief of the Bureau of Statistics, viz., 32,588,000 dollars (6,510,000 *l.*) (*see* Appendix.)

" fabrication of Silver coin will have to be sufficiently large to allow a portion of " it to meet the demand for export to some of the South American States.

" Special coinages of Silver, and the temporary relaxation of the rule " requiring the issue of Silver in exchange for Gold coins at par, are probable."

The operation, it will be observed, is double: the issue of subsidiary Silver coin (of the value of 10, 20, 25 and 50 cents.) and the issue of a Silver dollar of the weight of $412\frac{5}{10}$ grains troy of standard Silver, *i. e.* of full value, for limited legal tender. The figure given for the amount of subsidiary Silver coin is 40,000,000 dollars (8,000,000 *l.*), of which not more than 14,000,000 dollars, *i.e.* 2,800,000 *l.*, had been provided up to the end of February. The amount to be coined monthly is given at 1,500,000 dollars, say 300,000 *l.*; or 3,600,000 *l.* per annum. The amount of Silver coin to be used in the United States *after redemption*, is stated at 75,000,000 dollars, or 15,000,000 *l.* It would appear as if the amount of "75,000,000 dollars of limited tender" was exclusive of the amount to be coined for fractional currency, but the passage quoted is not quite clear on the point. Moreover, while recognising the importance of such a declaration made to Her Majesty's Minister at Washington, your Committee are aware that the fulfilment of the intention must depend on many political considerations, which they are totally unable to gauge.

Since the Committee have closed their evidence it has been reported in the public papers that Bills have been introduced and passed at Washington to authorise the coining of 6,000,000 *l.* of Silver full-weighted coin, of limited legal tender, apparently in pursuance of the policy foreshadowed by the Director of the Mint. But your Committee must call special attention to the circumstance that, until after the resumption of specie payments, it is very doubtful how far Silver coin, if issued, would remain in circulation. On this point the following passage from the Report of the Secretary of the Treasury, Mr. Bristow, on the state of the Finances for the year 1875, deserves special attention: Appendix 10.

" The Mints have been put into active operation, and the aggregate amount of Silver " coin now in the Treasury is 10,000,000 dollars.

" The Secretary has been urged to begin the work of resumption by issuing Silver " coin in redemption of outstanding currency, and it has been insisted that, under the " first section of the Act, he has no discretion, but must issue the Silver coin as fast as it " can be turned out from the Mints. While the Act requires the coinage to proceed as " rapidly as practicable, it does not, in terms, require the Secretary to issue it at once, " nor does it fix the period of time when the issue must begin. For obvious reasons, it " has been, and yet is, impracticable to put or keep Silver coin in circulation. The " present depreciation of currency below Gold precludes the probability that Silver would " remain in circulation, and therefore it has been deemed impracticable to issue it for the " present, or until, by the nearer approach of, or greater preparation for, general resump- " tion, there shall be such an appreciation of the circulating currency of the country as " would give assurance that the Silver coin to be issued would not be hoarded for ship- " ment abroad, or converted into plate and jewellery, or reduced to bullion."

It should be added, that as your Committee have understood, a considerable amount even of the fractional currency has found its way out of the districts where it is issued, to California. From these considerations, it would appear that while the United States Government will continue to buy and to manufacture Silver coin, they will be slow to issue it for the present; a circumstance which must be fully weighed in estimating the scale on which the Government purchases of Silver bullion are likely to proceed in the near future. Still, even taking this circumstance into account, it is evident that unless a change of policy should take place, a large proportion of the American supplies will be kept in the United States. Nor does it appear that, on the basis of a total production of 9,000,000 *l.* in the year 1876 in the United States, and assuming that the Government carry out their policy, the supplies to Europe are likely for the present to exceed the limits which they have attained during the years 1871–1875.

Your Committee, in the foregoing observations, have endeavoured to bring together the main facts bearing on the supplies of Silver which have been received or may be expected from the United States, but it will be remarked that, on the one hand, the uncertainty respecting the scale on which the Silver mines may be expected to increase their yield, and, on the other hand, the uncertainty as to what extent and at what period Silver may be introduced into the currency of the United States, baffle all calculation. The prominent fact in all the prevailing uncertainty is, that the Silver production of the United States has increased from an average of 2,287,500 *l.* for the years 1864–1867, to an

expected total of 8,000,000 *l.* to 9,000,000 *l.* in the year 1876. It is true that Silver mines have often, after a few years, disappointed expectation, but the official evidence as to the richness of the Comstock Lode is exceedingly strong.

Germany.

Your Committee now turn to the question of the surplus supplies which have been thrown, or may still be expected to be thrown, on the Silver market by the measures taken in Germany with reference to the Silver coinage.

It may, in the first instance, be expedient to state, in the briefest possible form, what these measures have actually been, and to what point the transition from a Silver to a Gold currency has thus far been carried. At the same time, attention must be called to the fact that, simultaneously with the enactments affecting the Coinage, important operations with reference to the contraction of the Paper Currency of Germany have been taken in hand. A Gold Coinage is not only in course of substitution for a Silver Coinage, but the withdrawal of all bank-notes of lower denomination than 100 marks (5*l.*) has also been carried through.*

The bank-notes used in Germany were not confined to notes of large amounts, such as alone can be issued in England. One thaler notes (equivalent to three shillings) entered on an extended scale into the ordinary payments of daily life in Germany. The inconvenience of the heavy weight of Silver Coin for the payment of even moderate amounts had been met by the issue of these bank-notes of small denominations.

The existence of these bank-notes was considered an evil and a danger, and among the motives assigned for the change from Silver to Gold, the expediency of attaining a position under which the issue of bank-notes could be better regulated was officially mentioned. The "Motives" submitted to the Imperial Diet, when the first Coinage Bill was introduced in 1872, contained the following passage:—"The inconvenience of the Silver Coin led of necessity to a very "considerable circulation of paper means of payment, which, in ordinary times, "are willingly taken as a welcome facility, but in critical times of awakening "mistrust, contain the germs of serious dangers. The artificial demand for paper "means of payment created by the exclusive circulation of Silver, made it neces-"sary in framing laws for Banks to have regard to considerations which placed "impediments difficult to surmount in the way of a thorough and rational "regulation of the banking system through banking legislation common to all "Germany."

The withdrawal of the bank-notes of small denomination is an important element in determining the probable amount of subsidiary Silver Currency which will be found necessary.

The first of the recent series of Laws dealing with the German Currency was dated the 4th December 1871.

1. It authorised the manufacture of an Imperial coin (Reichs-Münze), of which 139½ pieces were to be coined out of one pound of fine gold.

2. The tenth part of this Gold Coin was to be called a Mark (about a shilling).

3. Besides the Imperial Gold Coin of 10 marks, coins of 20 marks were also to be issued. (These pieces correspond very nearly with English sovereigns and half-sovereigns.)

4. These Gold Coins were made legal tender, and the 10 mark piece was to be taken as equal to 3⅓ thalers in Prussian currency, or to 5 florins, 50 kreutzers, in the South German or "Gulden currency." In this conversion the relative value of Gold to Silver was taken as 15½ to 1.

5. Silver

* A distinction is made in the series of laws recently passed in Germany between "paper money," *i. e.* notes issued by the various *Governments*, and "bank-notes" issued by the banks. The paper money issued by the various States has been recalled under the recent legislation, and new paper money issued in its place, distributed according to population among the various States, and made payable in Imperial currency, *i. e.* in marks. The total amount for the Empire was fixed at 40 million thalers (120,000,000 marks, or 6,000,000 *l.*) This amount contains a certain portion of notes of small denominations. The figures in the text of the Report apply only *to bank-notes.*

5. Silver coins were not demonetised by this Law, but the transition to a Gold standard was contemplated in the debates preceding its enactment and an indirect expression was given to this intention by the following words in Clause 6:—"Till the passing of a Law dealing with the *with-*" *drawal* of the Silver Coins, &c."

6. It was further enacted by Clause 10 (not in the Bill as originally presented, but introduced subsequently as an Amendment) that "For the "present, and until further notice, there will be no coinage of any other "Gold Coins than those introduced by this Act, *nor of large Silver Coins*, "with the exception of memorial coins."

7. A further Clause empowered the Chancellor of the Empire to ordain ("anordnen") the withdrawal of the existing Silver coins of the States of the Confederation, and to take the necessary means for that purpose from the Imperial Treasury.

The Law of the 4th of December accordingly decreed a series of preliminary measures. A supply of Gold coins was to be manufactured. They were to be legal tender, but side by side with existing Silver coins. Powers were given for withdrawing Silver coins, and the coining of Silver was stopped. The privilege, therefore, enjoyed by the holders of Silver bullion to have that bullion turned into coin was withdrawn, a long step towards demonetisation. But Silver coins remained a legal tender as hitherto, and no new subsidiary Silver coinage was at this time introduced.

The scope of this first Law is so far important to the present inquiry, as it bears on the state of the Silver market between December 1871, and the middle of July 1873, when the next great step was taken.

On the 9th July 1873 another Coinage Law ("Münz-gesetz") was passed. This Law introduced the Gold standard.

It commenced with the words, "The Imperial Gold Currency takes the place "of the various Currencies which are now legal in Germany, belonging to the "separate States."

The moment at which the Imperial currency was to come into force in the whole Empire was to be fixed by Imperial decree after a three months' notice.

Five-mark Gold pieces were to be coined as well as the 20 and 10-mark pieces.

The Act then proceeds to declare that, besides the Imperial Gold coins, Imperial Silver coins were to be issued (5 mark, 2 mark, 1 mark, and smaller pieces). A hundred 1 mark pieces were to be coined out of one pound of fine Silver. According to the standard taken when the 10 mark Gold piece was made equal to $3\frac{1}{3}$ thalers which were full-weighted Silver coin, not 100 marks, but only 90 marks of an equal fineness could have been coined out of one pound of fine Silver. (Thirty thalers used to be coined out of one pound of pure Silver.) The Silver mark is accordingly a subsidiary coin, issued at $11\frac{1}{9}$ per cent. below its nominal value. To that extent it is a depreciated coin.

The total amount to be issued of the new Imperial Silver coins was, till further notice ("bis auf weiteres"), not to exceed 10 marks per head of the population of the Empire; this population amounting to about 43,000,000, the provisional maximum for the new subsidiary coinage was about 430,000,000 marks, or 21,500,000 *l.*

These new Silver coins were not to be legal tender beyond the limit of 20 marks (about 1 *l.*), but the Imperial and State Treasuries were to accept them up to any amount.

Such being the regulations which were made for the introduction of the subsidiary coinage, powers were given to the "Bundesrath" to demonetise the coins of the various States.

Demonetisation was not to follow as a matter of course *immediately*, but *powers were given* to effect it. It will be seen hereafter what progress has been made up till now. It may, however, be stated at once that the "Thaler," which was by far the largest element of the old Silver currency, has not yet been demonetised.

The coining of any other than the Imperial Silver coins was now finally stopped.

Clauses were added definitely enacting how payments due in the old currencies were to be made in the new, and fixing the temporary relation of the coins to each other, till the old coins should be demonetised.

The last clause (s. 18) of this important Act (also not in the original Bill) enacted as follows :—" All Bank-notes which are not made payable in Imperial " currency are to be withdrawn before the 1st January 1876. From this date " forward only such Bank-notes as are made payable in Imperial currency *in* " *amounts not less than* 100 *marks* (5 *l.*) *may remain in circulation or be issued.*"

Other Laws dealing with the Paper Currency issued both by the various States of Germany, and by the Banks, were subsequently passed, but as they have less bearing on the Silver question, it is unnecessary to specify their nature. It is sufficient to state, that the general policy underlying the legislation in this respect was the substitution of Imperial notes in place of the various notes issued by the States composing the Confederation, and that various limitations were placed on the privileges of issue of the private Banks.*

Your Committee now proceed to state what action has been taken under these Coinage Laws.

Gold coins to the amount of about 1,400,000,000 marks, or 70,000,000 *l.*, have been struck up to the 17th June.

The Acts decreeing the withdrawal of all Bank-notes for smaller denominations than 100 marks (5 *l.*) before the 1st of January 1876, appear to have been practically carried out to their full extent. An official return (published in the " Reichs Central Blatt " of 19th May 1876) gives the total notes in circulation on the 30th April 1876, as 942,000,000 marks, of which only 2,230,000 marks, or 115,000 *l.*, were for amounts below 5 *l.* The magnitude of the change is apparent when it is stated that the amount of Bank-notes in circulation below 5 *l.* was estimated by the President of the Imperial Chancery, in a debate during the session of the " Reichstag " of 1874, as at that time to amount to 177,500,000 thalers, or about 26,625,000 *l.*

Appendix 21 (No. 17.)

Of the old Silver coins an amount equal to 440,000,000 marks, or 22,000,000 *l.*, had been withdrawn up to the 31st day of March 1876.

Of new Silver coins an amount equal to 244,000,000 marks, or 12,200,000 *l.*, had been struck up to the 17th day of June 1876.

Appendix 21 (No. 16.)

Sales of Silver had taken place to the amount of about 6,000,000 *l.* The quantity officially reported as sold up to the 20th April 1876 is given in an Enclosure to Lord Odo Russell's Despatch of the 6th May as 1,284,447,841 lbs. fine. Irrespective of the prices paid for the amounts offered for sale (which would give a smaller sum), the total sales represent the extinction of Silver coins to the extent of a little less than 6,000,000 *l.*

No explanation has been given of the difference between the total of the amount of Silver coin withdrawn, *i.e.*, 22,500,000 *l.* on the one hand, and the amount recoined, *i.e.*, 11,300,000 *l.*, and the amount sold, *i.e.*, 6,000,000 *l.*, together 17,300,000 *l.* on the other. The returns are made up to different dates, but the difference appears large. It must in part be represented by Silver on hand for sale and Silver kept in stock in the various Mints for further manufacture of new coin.

In withdrawing the old Silver coinage the Government proceeded by series, taking, in the first instance, those series which had become more or less obsolete, or which belonged to the older dates, and dealing with the more limited " Gulden" circulation of South Germany before embarking in the vast field of operation presented by the Thaler currency. Using the discretion confided to it, the Imperial Government has thus far only *demonetised* the South German or " Gulden " coins and sundry old coins, such as the " Crown Thalers " and " Convention

* The facts contained in the foregoing account of the legislation which has taken place in Germany have been extracted from the official documents forwarded by the German Government, and from Dr. Soetbeer's articles on the recent Currency Laws, forwarded by Lord Odo Russell.

"Convention Thalers"; but the *withdrawal* of the older series of Prussian Thalers has also been begun, and good progress has been made in exchanging the two-thaler pieces.

The general result is as follows:

	Marks.
Demonetisation of South German Currency - - - -	180,500,000
„ of Crown Thalers - - - - -	8,000,000
„ of Convention Thalers - - - - -	2,000,000
„ of Currency of Saxony, Scheswig Holstein, Mecklenburg, Hamburg, and Lubeck -	4,350,000
Together - - -	194,850,000

"Reichs Central Blatt," 12 May.

The withdrawal, but not the demonetisation of the Thalers, has also been commenced.

	Marks.
Of the two-Thaler pieces there have been withdrawn - -	109,000,000
Of Thalers, between 1750 and 1816 - - - - -	47,000,000
Of Thalers, between 1817 and 1822 - - - - -	36,000,000
Of Thalers, between 1823 and 1856 - - - - -	1,800,000
While of Thalers coined from 1857 forward there have been withdrawn, only - - - - - - - - -	10,000
Progress has also been made in the withdrawal of coins representing fractional parts of Thalers to an amount of - -	50,000,000
	243,810,000
Add Total from above - - -	194,850,000
Marks.	438,660,000*
£.	21,930,000

The total accordingly may be roughly taken at 22,000,000 *l.*

The main question which arises on these figures is, what proportion does the total sum of Silver money already withdrawn bear to the total which has to be dealt with before the operation is concluded? What amount of Silver coin can be presented for exchange, and what amount of Silver will the German Government still have to bring to market after providing for the balance of the new subsidiary coinage which has still to be struck? The answer to these questions depends on the amount of Silver money which may be assumed to have been in circulation in December 1871, a problem with regard to which the most divergent calculations have been made by various authorities, official and statistical.

Your Committee abstained from taking much oral evidence on this branch of the subject, as no one in England who had not given it special attention, and who had not had special means of obtaining information in Germany, would have been able to speak with any degree of authority. On the other hand, documents sent from Berlin, where the inquiry had given occasion for much controversy for the last four years, were likely to contain all that could really be ascertained. Mr. Pietsch, the manager of the London branch of the Deutsche Bank, which establishment had sold a large portion of the Silver already disposed of, for account of the German Government, and who, besides having studied the question very intelligently, had special means of information in Berlin, was the only witness whom the Committee examined at any length with reference to the amount of Silver in Germany. (Evidence, pp. 34 to 40 and 68, 69.)

Before proceeding to state what facts and estimates have been brought before your Committee, it may be well to quote the following note in an official return put before the German Parliament in 1873, giving an account of the total coinages in Germany from 1750 to 1871:—"*Though even an approximate calculation of "the Silver coins which have been melted down or exported is impossible, and "though accordingly it is necessary to abandon the idea to discover the amount of "the coins of the different German Mint systems which may be in circulation at "present,*

* These figures are given in round numbers.

"*present*, nevertheless the annexed figures may in so far be of some interest, "as they represent the basis which may statistically be laid down, from which "a starting point may be attained in an estimate of the circulation of German "coins."

Appendix 21 (No. 16.)

The Despatch of Lord Odo Russell, dated 14th April 1876, also speaks of the impossibility of accurate information being obtained on this head. All estimates must therefore be received with extreme caution.

The calculations which have been made appear to have been based

Partly, on theoretical inferences as to the extent to which the causes which diminish any currency, such as

(1.) Export in the ordinary course of trade,

(2.) Export by means of emigration,

(3.) Export in consequence of war indemnities,

(4.) Melting down for manufacturing purposes,

(5.) The ordinary wear and tear of coins,

(6.) The actual loss of coin,

may have, as a matter of fact, diminished the total of Silver coin in circulation,

Partly, on the facts revealed in the case of series of coins already withdrawn,

Partly, on evidence afforded as to the actual amount now circulating, by Returns stating the stocks held by the banks, savings banks, public and local treasuries, and so forth.

The total amount of Silver coin manufactured and issued in Germany since 1750, till the coinage of Silver was stopped in December 1871, is accurately known. That amount, as stated in the passage quoted above, forms the starting point for the calculation. The differences of opinion begin when the sum has to be determined, which should be deducted from the total coined, as having disappeared, through any of the processes which have been enumerated. Unfortunately, in many of the calculations, the question of the amount of Silver remaining for sale at given moments since the commencement of the operation of withdrawal, and after much Silver had been presented for exchange, is mixed up with the calculation of the amount in circulation, before that operation commenced, so that a comparison of the various estimates is rendered somewhat complicated.

Official Return included in German Parliamentary Papers.

The total amount coined since 1750 up to December 1871, was, in round figures, as follows:—

	£.
In Thalers	74,200,000*
In Florins (Gulden)	10,200,000
Hansetown Coin	1,200,000
£.	85,600,000
Small coins of the nominal value of 4,100,000 *l.*, containing, say, of pure Silver	3,400,000
TOTAL £.	89,000,000†

The question is, how much of this amount was in circulation in December 1871?

The

Appendix 7.

**Note.*—A Return published in Germany in 1874, adds an amount of about 1,200,000 thalers, or about 180,000 *l.*, as having been coined in the years 1872 and 1873. Mr. Pietsch, including that amount in his estimates, brings the thalers up to the amount of 74,400,000 *l.*, in place of the amount 74,200,000 *l.*, as given above; but these coins were commemorative coins, which are certain to be kept in collections. They comprise Prussian "Victory Dollars," Bavarian "Peace Dollars," Saxon "Jubilee Dollars," and Wurtemburg "Memorial Dollars."

Q. 1238.

† Mr. Seyd, in his evidence, gives the amount at 98,000,000 *l.*, quoting M. Malou, the Belgian Minister of Finance; but the above figure of 89,000,000 *l.* is taken from a minute and complete official German statement presented to the "Reichstag."

The roughest estimate which has been made is that *one-third* has probably disappeared.

	£.
Taking one-third from the amount of - - - - -	89,000,000
Say, in round numbers - - - - - - - -	30,000,000
There would remain in circulation, in December 1871 - £.	59,000,000

Your Committee are disposed to think that certainly not less than 30,000,000 *l.* has disappeared, and that the amount of 59,000,000 *l.* represents a maximum amount; but taking that maximum into account, the further calculation would be as follows:—

	£.	£.	
Amount in circulation at the end of 1871 - - - -		59,000,000	
Deduct,—			
Amount provisionally fixed for requirements of subsidiary coinage - - - - -	21,500,000		Act of 9 July 1873.
Amount sold up to 26th April 1876, say - -	6,000,000		Appendix 21 (No. 16.)
		27,500,000	
Remaining for sale - - - £.		31,500,000	

Most authorities, however, arrive at a considerably smaller sum. Lord Odo Russell forwards a memorandum "by a gentleman who is well acquainted with the subject," and whom your Committee have reason to believe to have great practical experience in monetary affairs. He says: "It may fairly be "calculated that at the commencement of the reform of the coinage there were in "circulation Silver coins of the value of at least 900 million marks (45,000,000 *l.*)." This is 14,000,000 *l.* less than the estimate brought out by the assumption of the disappearance of one-third, and deducting, as before, 21,500,000 *l.* for new coinage, and 6,000,000 *l.* for sales already made, would leave 17,500,000 *l.* as the surplus stock for sale. The writer puts the total at 20,000,000 *l.* "The amount of Silver still to be realised may be set down at about 400,000,000 of marks." Some amounts of Silver have, however, been sold since the date at which he took the figures, which may, in part, account for the difference. Appendix 21 (No. 17.)

The estimate which assumes one-third to have disappeared is in part founded on the actual facts ascertained in the case of the Gulden currency, the whole of which has already been demonetised.

Not more than 68 per cent., *i.e.* about two-thirds, were presented for exchange. These Guldens were not of old date; they were coined between 1837 and 1871, and the argument is put forward with some force, that if one-third of so recent a coinage is proved to have disappeared, it may certainly be assumed that at least the same proportion, but probably a larger proportion, has disappeared of the Thaler coinage ranging from 1750 to 1871. Q. 707.

Mr. Pietsch gave elaborate evidence on this point. Stating the fact of the disappearance of the florins to the extent of one-third, and enumerating various causes which have led to the export or melting down of Silver coin on a large scale, he finally strikes off more than one-half from the amount of the Thaler currency and of the subsidiary coins. Q. 710 *et seq.*

In support of these views, he says: "I am confirmed in my opinion by "the fact that in official quarters in Berlin they always say that it is much more "than one-half has disappeared; they estimate at from three-fifths to two-thirds. Q. 736.
". . . . . Knowing how much has been coined of those coins, "they can make comparisons, and though they do not give any particulars, they Q. 737.
"always say that the amount disappeared is as I have stated. Consequently I "believe we are justified in supposing that out of the total quantity coined *three-fifths* have disappeared; but that is a thing which is quite an approximation, it "may be more or less; in official quarters they pretend it is more."

Mr. Pietsch finally arrives at the conclusion that 51,000,000 *l.* has disappeared out of the entire quantity coined. If this were so, the amount available for sale would, *ceteris paribus*, not be 31,500,000 *l.*, but 10,500,000 *l.* (Mr Pietsch himself, in a supplemental statement, puts it at about 13,000,000 *l.*)

Forcible counter considerations may, however, be urged to the broad view expressed, that because one-third has disappeared in the case of a comparatively recent coinage, three-fifths may be assumed to have vanished in the case of much older coinages. The argument would only hold good if the various series of coins were of the same quality, and equally adapted for melting down or export, whereas this has not been shewn to be the case. On the contrary, your Committee have been informed that the South German florins were peculiarly adapted for export. Some series of coins contained more Gold mixed up with the Silver than others. Some, too, were coined of 750/1000 parts fine, while others were coined 900/1000 parts fine. Without going into details, it may be said broadly that the argument by analogy is by no means conclusive.

It is further alleged that not all the florins in circulation were actually presented for exchange within the prescribed limit of time, and that since the conclusion of the operation further amounts, beyond the 68 per cent., have been melted down for private parties.

But, nevertheless, after making every allowance for the circumstances indicated, the fact of 68 per cent. only of the South German currency having been presented for payment, remains an important fact, and so it has been considered on all sides.

The official documents sent over by Lord Odo Russell contain statements which shew that in official circles, as stated by Mr. Pietsch, the estimates entertained are to the effect that a much larger proportion than one third of the coinage had disappeared in the course of time, or rather that the amount to be dealt with fell far short of two-thirds of the original coinage. The articles of the eminent statistician, Dr. Soetbeer, on the Currency Laws, forwarded by Lord Odo Russell, with the remark "that, without being official, they are still recommended as trustworthy by Herr von Bülow," contain not only his own views, but extracts from debates in the German Parliament, shewing the opinions of others, with comments of his own, on the estimates produced.

Dr. Soetbeer states that, looking to the heavy fall in the price of Silver, which, at the end of January 1876, was 54⅞ *d.* per oz. standard (or in the proportion of 17·18 to 1 in relation to Gold), whereas the exchange of Silver coin was taking place at a price of 60⅞ *d.* per ounce (or in the proportion of 15·50 to 1), it was very intelligible that the question of the probable stock of Silver dollars still in existence took a prominent place in the discussions in the "Reichstag."

He then proceeds to give the substance of the observations made on the subject by Deputy Sonneman, who, as it appears, applied a very similar mode of calculation as that given in the evidence of Mr. Pietsch just quoted, but with more moderation. Deputy Sonneman stated, "that he had tried to make a calculation on the basis of the fact that of the two-florin pieces of which the retirement had been completed, about 68 per cent. of the total amount coined had been presented for exchange; that he had applied this calculation (that is to say, roughly, the one-third rule) to the thalers coined since 1857, *and a further rather considerable deduction in the case of the older thalers*, and that he had come to the opinion that the total of thaler pieces and fractional parts of thalers still in circulation might amount to about 225,000,000 of thalers (*i.e.*, 675,000,000 marks, or 33,750,000 *l.*)." It will be observed that these figures applied only to the thaler currency. On the basis of this estimate, the speaker continued, "it might not be out of place to form a picture as to the amount of Silver we may really still have to sell." He then quotes the following figures:

	Marks.		
Silver already retired - - - - - - -		290,000,000 marks (14,500,000 *l.*)	
Of which there had been re-coined (7,700,000 *l.*)	155,000,000		
Sold - - - - - - - - (5,000,000 *l.*)	100,000,000	255,000,000 marks (12,750,000 *l.*)	
Leaving a Surplus of - - -		35,000,000	(1,750,000 *l.*)

and concludes: "Accordingly, 30,000,000 to 40,000,000 worth of marks (1,500,000 *l.* to 2,000,000 *l.*) must remain in the hands of the Government." To this sum he adds the 225,000,000 thalers, or 675,000,000 marks, which he had just estimated to be still in circulation, and he arrives at a total of about 700,000,000 marks, or 35,000,000 *l.*,

35,000,000 *l.*, as still in existence. But from this the sum still necessary to complete the subsidiary coinage, up to the limit of 425,000,000 marks, had still to be deducted. Up to that date 155,000,000 marks had been coined; there remained to be coined 270,000,000 marks (13,500,000 *l.*). Deducting these 270,000,000 marks from the total stock of 700,000,000, the result would be a surplus of 450,000,000 marks (22,500,000 *l.*), which would have by degrees to be sold.

This calculation of Deputy Sonneman accordingly lies about half-way between the two estimates previously given. Dr. Soetbeer expresses his regret that he himself is obliged to consider this estimate as "corresponding to the reality,' and as rather too low than too high; but he states the important fact, that "the representatives of the Government thought that they were bound to "assume *a considerably lower estimate* of the stock of thalers which they would "have to clear off (beseitigen)." He proceeds to quote from speeches of the Ministers on the subject, and it is important to observe, that in these speeches the calculations are made from a totally different point of view.

The Ministers looked to the evidence furnished by such returns as were at their disposal, as to the whereabouts of the Silver Coins still in circulation, and argued from these data that the amount remaining to be dealt with was very moderate.

Staats Minister Delbruck stated, that stock had been taken of the one and two thaler pieces on hand on the 30th September 1875 in the public treasuries, the Bank tills, and so forth. The result was a total stock of about 34,270,000 thalers (5,140,000 *l.*). Of this amount about 20,000,000 thalers were in the Banks, about 11,000,000 in the other treasuries. The Minister then proceeds to infer that the 20,000,000 thaler pieces in the Banks "scarcely belong to the traffic (verkehr) of the public properly so-called, but must rather be considered as assets in the hands of the Banks, for the purpose of covering their issues of notes, and that accordingly the amount of thalers to be considered as forming part of the circulation in the hands of the public was reduced to the small amount of 11,000,000 thalers (33,000,000 marks, *i.e.*, 1,650,000 *l.*), which was on hand in the State, Communal, and other public chests."

Staats Minister Camphausen (the Prussian Minister of Finance) spoke, says Dr. Soetbeer, "in the same sense," but he carried the analysis of the stock of Thalers which was traceable, still further. Taking the 20,000,000 Thalers in the banks, he distinguishes between 14,000,000, which were in the Prussian Bank and its branches, and the remaining 6,000,000 which were in non-Prussian Banks; of the latter amount he says, that it was money in the hands of Banks which, *owing to the withdrawal of small bank-notes* were still in the position of having to meet the wishes of the public for Silver money as far as possible, and as the demonetisation of the South German florin had just been decreed, and an amount estimated as equal to about 12,000,000 thalers had still to be withdrawn, it was to be expected that the whole stock of thalers in the non-Prussian Banks would not half suffice to meet this gap.

The importance which Herr Camphausen attributed to this evidence may be gathered from the last sentence quoted by Dr. Soetbeer: "We are therefore able to look forward to the whole process of this transition with the greatest tranquillity, and we may say to ourselves that this transition will be completed in a fashion which is mere child's play." (In einer wahrhaft spielenden Weise.)

Dr. Soetbeer observes on these declarations of the Ministers, that "while it is true that no positive estimate is expressed of the total amount of thaler coins still on hand, which in future will become superfluous, it is certainly undoubted that their view does not even remotely approach the estimate given by Deputy Sonneman," which, it will be remembered, gave a result of 22,500,000 *l.* as ultimately available for sale.

Dr. Soetbeer, as has been stated, inclined to the view that the latter estimate was rather too low than too high, and he endeavours to meet the arguments of the Ministers. He denies that the comparatively small stock of Silver thalers in the hands of the Banks permits a conclusion as to the total of this coin circulating in the ordinary daily transactions of the public, as the banks collected Gold coins by preference in their cash assets, whereas the public in Northern and Central Germany from old custom liked to use thaler coins as

means of payment in the ordinary expenses of daily life, so long as they were still to be had in abundance.

Dr. Soetbeer adduces a further argument to shew that if so few thalers were still in circulation, an incredible amount of thalers must have disappeared but this is probably a conclusion which the advocates of the lower estimate would be prepared to accept.

Your Committee, while they admit the force of the view that the stock of Silver coin in the banks cannot justify any distinct conclusion as to the amount of Silver that is actually in the hands of the public, circulating from day to day, are nevertheless of the opinion that it is certainly a valuable element of calculation, which ought not to be omitted. The fact that elsewhere than in the pockets of the people, or in hoarded stores, comparatively small amounts could be shewn to exist, justified the Ministers to a certain extent in drawing tranquillising inferences.

The two prominent facts to which allusion has already been made, the withdrawal of upwards of 20,000,000 *l.* sterling of small bank notes, and the issue of 70,000,000 *l.* of new Gold coin, must be taken into account. It would appear that, making every allowance for considerable amounts having already been exported, and for the fact that the War Treasure formerly held in Silver is now held in Gold, a large amount of Gold must have passed into the hands of the public. Means have thus been furnished for the larger payments, and Silver, previously employed for that purpose, must thus, *pro tanto*, have already been driven out of the field. Consequently the Silver coin still circulating must be held to circulate for the smaller payments for which neither Gold nor bank-notes of larger denominations are equally convenient. The stock of Gold coin must be abundant. Therefore Silver cannot be simply used for lack of other means of payment. It must be used for those purposes for which it is most convenient, namely, the ordinary payments of daily life; and it is precisely in these that the withdrawal of the small notes has opened up a new channel for the employment of Silver for subsidiary purposes. It appears, therefore, that, if the amount of Silver in circulation is still large, it is large because the ordinary system of everyday payments creates the necessity for its being large. Any excess must become apparent in the tills of the banks.

The amount in the tills of the banks, it will be remembered, stated by Herr Delbruck, did not exceed 3,300,000 *l.* on the 30th September 1875. Your Committee have inquired what the stock of Silver in the same banks amounted to at a later date. They have found on inquiry that the stock ascertainable by the German Government as held on the 31st March 1876, in the Imperial Bank and the 32 private Banks of Germany, was rather over 8,000,000 *l.*, but your Committee have no information as to whether the stock in the hands of the Imperial Bank contained any large number of coins belonging to series in course of withdrawal, and which are awaiting disposal, nor whether the new coins issued enter to any extent into the stock in the hands of the banks. They do not know whether the returns have been made up on the same principle on the 30th September and on the 31st of March.

The difference, however, between the 3,300,000 *l.* held on the 30th September 1875 and the 8,000,000 *l.* held on the 31st March 1876, shews that the arguments as to the Silver being kept in circulation cannot be pushed too far. The increase between the two dates is large, and running thus counter to the inferences drawn by the Ministers, must suggest caution as to the estimates of the surplus still to be disposed of, which were based upon these arguments. It may be fairly admitted that, looking to the circumstance that not more than 8,000,000 *l.* was in the tills of the banks on the 31st March, notwithstanding the coining of 11,000,000 *l.* of new Silver coins, and the fact that the circulation still includes a balance of 10,500,000 *l.*, which has still to be recoined, it is unlikely that so large an amount as 30,000,000*l.* of Silver, the amount in round numbers of the maximum estimates, will still have to be brought to market. On the other hand, the sum of 8,000,000 *l.*, held by the Bank on the 31st March, shews that this amount at least might, and probably will, be at once offered for sale. Nor does the statement of this minimum amount in the hands of the banks appear to exclude the possibility of some further stock of Silver bullion being in the hands of Government, and also disposable for immediate sale, as the result of the melting down of coins which might

might already have been withdrawn from the Imperial Bank, and have been handed over to the manufacturing establishments for conversion into bar Silver.

To recapitulate the remaining estimates, they are as follows:—

That of Deputy Sonneman, 22,500,000 *l.*, endorsed by Dr. Soetbeer with the remark that it was rather too low than too high.

That contained in the memorandum forwarded by Lord Odo Russell, which concludes that a short time back the amount might be calculated at 20,000,000 *l.*

That of Mr. Pietsch, which, based on views which he declares were shared in official quarters, brought out an amount of about 13,000,000 *l.*

Your Committee do not think that they are in a position themselves to adopt any one of the above estimates, ranging as they do between 8,000,000 *l.* and 30,000,000 *l.*, especially as the uncertainty is admitted on all sides to be so great; but they cannot deny that the evidence as to the absence of any indication of a large surplus stock has made a considerable impression upon them.

It is clear from much that has already been stated that the amount of Silver which should be assumed to have disappeared is not the only element of uncertainty. It is also uncertain how much will be required for subsidiary currency. The sum of 21,500,000 *l.* or 10 marks per head of the population was only provisionally fixed, and doubts are already entertained, especially looking to the withdrawal of the smaller bank notes, which alone appear to have amounted to more than 20,000,000 *l.*, whether the sum named will be found sufficient.

In the official "Motives" submitted to the German Parliament as a basis for the clause in the Bill fixing the provisional maximum of 10 marks per head, it is stated why the limit is put higher than the maximum limit (Maximal Grenze) fixed in the Convention of the Latin Union of the 23 December 1865, which was six francs per head of the population. This limit referred only to the subsidiary coinage of the Union, which consisted of $\frac{1}{2}$, $\frac{1}{4}$, 1, and 2 francs, whereas no limit was fixed to the coining of five-franc pieces (which were practically the monetary unit), the lowest full-weighted coins. In the German Coinage Law the maximum limit of 10 marks per head was to be applicable to *all Silver coins*, including the five-mark pieces. The amount to which the limit was raised in Germany left room for about one five-mark piece per head of the population. The passage concludes: "It is open to question whether the limit is not a rather too narrow one. However, it will only then be time for coming to closer quarters with this question when the withdrawal of the Silver coin of the separate States is approaching its conclusion."

It should, however, be borne in mind that when these "Motives" were presented, the Government did not contemplate the coining of Gold 5-mark pieces, which, so far as they are likely to pass into use, would diminish the amount of Silver subsidiary coinage.

The Government were opposed to the coining of a five-mark Gold piece at all, alleging as an objection that, besides its costliness, they did not believe "that it was suited to fulfil the purposes for which a coin of the value of five mark has to serve;" but in deference to the feeling expressed by the majority in the "Reichstag," they gave way, and promised to give fair play to the coin. Dr. Soetbeer, in his volume on the Coinage Laws, observes (p. 71), "that the experiences alleged to have been made in the United States with the Gold one-dollar piece, and in France with the Gold five-franc piece, do not speak much in favour of a Gold five-mark piece." It may be added, in corroboration of this remark, that the proportion of the small Gold coins shewn to be paid in in the ordinary course of business to the Bank of France, appears to indicate that not only the small Gold five-franc piece, but even the 10-franc piece, or half Napoleon, is not a very popular coin.

A return furnished to your Committee by the Bank of France shews the following amounts as in stock on a given day— Appendix 22 c.

In 20-franc pieces (Gold) - - -	475,700,000	francs.
In 10 „ „ „ - - - -	31,170,000	„
In 5 „ „ „ - - - -	21,395,000	„

While the amount in Gold five-franc pieces thus amounted to only 21,395,000 francs, the amount in Silver five-franc pieces was 379,185,000 francs. In fact, the part played by the Gold five-franc piece in France is infinitesimal.

It seems accordingly to be very doubtful whether the introduction of the Gold five-mark piece into Germany, where the people have been even more in the habit of using Silver money than in France, will much diminish the demand for Silver subsidiary coinage.

The case of England has also been pointed to in arguments as to the necessary amount of Silver coinage for Germany.

Dr. Soetbeer quotes the estimate of Mr. Jevons that in the year 1869 the circulation of Silver coin in the United Kingdom was 14,000,000 *l.*, or about 9⅓ marks per head of the population, that is to say, almost the same amount as that fixed by the German Government.

The amount of subsidiary Silver coinage necessary for various countries appeared so important to your Committee as bearing on the future demand for Silver in countries where demonetisation takes place, that they wished for information as to the view held by the authorities of the Bank of England on the subject of the amount of Silver coin actually in circulation.

Appendix 1.

Mr. Kirkman Hodgson, a Member of your Committee, put in a paper prepared at the Bank of England, shewing the present estimated amount to be 19,536,000 *l.*:

	£.	£.
Mr. Miller, late cashier of the Bank, estimated the amount in 1860 at -		14,799,000
Since then there have been issued - - - - - -	£. 6,437,000	
And worn coin withdrawn - - - - - -	1,700,000	
		4,737,000
	£.	19,536,000

These figures shew a considerably larger amount per head of the population than that allowed for Germany.

To this it must be added that it seems certain that more subsidiary coinage will be used in Germany than in England, owing to the smaller use of cheques and to the habit of daily payment for all family expenses in the place of the English system of weekly or monthly bills.

Appendix 21 (No. 16).

Lord Odo Russell observes, in his despatch of the 6th of May, "The maximum issue of the new Silver currency is fixed by Article 4 of Coinage Law "at 10 marks a head on the whole population, but in course of time the amount "required will in reality be considerably larger, larger even than in England, "because the habits of Germany in regard to housekeeping and business transactions necessitate a far larger amount of Silver currency for payments which "cannot be made in Gold."

From what has been stated, it clearly appears that possibly the excess supply, supposed in most of the estimates quoted to be ultimately likely to come to market, may be diminished by further amounts required beyond the present limit of 21,500,000 *l.* for subsidiary coinage. (In the estimates of the Ministers, which were based, as has been shewn, on the appearance of the Silver circulation at the present moment, this element of the calculation appears to have been already taken into account.)

On the other hand, two circumstances have still to be mentioned having an opposite tendency. Firstly, in allowing 10 marks per head of the population, the nominal value of the coins is taken, but as the Silver coins contain less Silver by 11 per cent. than that nominal value, little more than 19,000,000 *l.* of fine Silver would be required for manufacturing the 425,000,000 marks, thus setting an additional 2,000,000 *l.* of Silver free; and secondly, there is an amount of Austrian thalers outstanding, which have been incorporated to such an extent with the German coinage, that it is believed they will also be redeemed by the German Government. A special Act was passed with reference to these coins

coins in the Session of 1874. It has been estimated by Dr. Soetbeer that 3,000,000 *l.* may be derived from this source.

If the ultimate requirements for subsidiary coinage should at all approach 15 marks per head instead of 10, an additional amount would be required, which would far more than absorb these two last items of increase, which amount together to 5,000,000 *l.*

Your Committee have purposely reserved these modifying circumstances for separate mention, and refrained from introducing them with the various estimates they have quoted, as it seemed better to give the estimates precisely as they were framed and stated.

In the foregoing calculations and observations no account has been taken of the amount of Silver introduced into Germany by the payment of the French indemnity. Statistics on this point are given in M. Leon Say's official Report "on the payment of the War Indemnity," made in the name of the Budget "Commission of 1875."

Out of the total sum of 200,000,000 *l.* paid by France to Germany, a little less than 10,000,000 *l.* (240,000,000 fr.) was paid in Silver five-franc pieces; and it is an interesting and remarkable circumstance, that out of these 10,000,000 *l.* nearly 4,000,000 *l.* were coined out of Silver bought in Germany, and imported into France for the purpose. The Report in question describes how 92,000,000 francs' worth of Silver were procured at the Bank of Hamburg, the price of Silver having fallen in Germany, and coined into five-franc pieces, which, under the Treaty arrangements, were taken by Germany at par. Thus only a balance of 6,000,000 *l.* passed to Germany from France. It is believed the whole amount passed back again either into France or Belgium. The receipts of Silver by the Bank of France corroborate this belief.

Your Committee, in concluding this portion of their observations, consider it expedient once more to call special attention to the fact that—

1st. The sum which is stated officially to have been sold up to the 26th April last does not exceed 6,000,000 *l.*;

2ndly. That the Thaler currency has not yet been demonetised, though considerable sums have been withdrawn.

It will be remembered that the Thaler currency amounted to 74,200,000 *l.*, while the "Gulden" currency amounted only to 10,200,000 *l.* These proportions shew how much more important the demonetisation of the Thaler must be, compared with that of the Gulden.

Your Committee do not know what the intention of the Imperial Government may be as to the period when the final step with regard to the thalers may be taken, nor do they know at what period the new Silver subsidiary Silver coinage will be completed, but it seems to be evident that the earlier or later issuing of the decree of demonetisation might exercise a vital influence on the course of the Silver market, and even on the amount of Silver which may be ultimately required in Germany. Assuming, as the facts seem to warrant, that the thalers are at present in the most active stage of circulation, namely, settling the ordinary payments of daily life, if time is allowed, they would probably ultimately be presented for exchange against the new subsidiary Silver coinage, which would then perform the same functions; but if the decree is issued before a sufficient stock of new Silver coin is prepared, the use of Gold coin may, to a certain extent, be forced on the public, who otherwise would prefer the Silver coin. The result might be, that Gold might then permanently take the place of Silver to a greater extent than would otherwise be the case, and that more Silver would be thrown upon the market.

The Scandinavian Kingdoms.

The course of Germany in substituting a Gold currency for Silver has been followed by the Scandinavian kingdoms, but the scale of their currency has

been too small for the change to have exercised any considerable effect on the Silver market. At the same time, the fact of countries which were buyers having changed into sellers, is not without its importance.

Appendix 21 (No. 19). The circumstances of Denmark are as follows: During the period 1871—1875, the import of *Gold* exceeded the export of that metal by nearly 2,500,000 *l.*, whilst during the same period the *export* of *Silver* exceeded the *import* by nearly 600,000 *l.*

Since 1872, no Silver seems to have been imported.

The Government was a large seller of Silver during the period 1873—1876, subsequent to the adoption of the new monetary system, the sum sold being about 850,000 *l.* The stock of Silver held by the Danish National Bank on the 31st March 1876, was only 430,000 *l.* in Silver against 1,465,000 *l.* in Gold.

Appendix 21 (No. 20). In Sweden the change from Silver to Gold was commenced in 1873. In Sweden, it appears from the statistics furnished to your Committee, that the import of Silver exceeded the exports in every year from 1866 to 1873 inclusive. The aggregate imports during that time were 970,000 *l.*, the exports 515,000 *l.* But in 1874 and 1875, after the change of the currency, the export of Silver exceeded the import by 237,000 *l.* In 1873, the stock of Silver held by the Bank of Sweden was 736,000 *l.* On the 31st March 1876, it was 465,000 *l.*

Appendix 21 (No. 21). In Norway, where the Gold standard was introduced on the 4th June 1873, the figures of the exports and imports of the precious metals unfortunately do not distinguish between Silver and Gold, but the Minister of Foreign Affairs informed Mr. Erskine, that for the years 1866–1871, the movements were mainly in Silver; that in the year 1872 there was a certain importation of Gold, and that after the change in the currency enacted in June 1873, the importations were mainly of Gold, and the exportations of Silver. The total imports of Bullion for the years 1873–1875 were above 1,050,000 *l.*, the exports 1,000,000 *l.* The former was accordingly, probably, Gold, the latter Silver. This probability is entirely confirmed by the statistics of the Bank of Norway. Their stock of Silver in 1872 was 1,042,000 *l.*; in 1875, only 13,500 *l.* Their stock of Gold in 1872 was 117,000 *l.*; in 1874, it was 1,094,000 *l.*; in 1875, 817,000 *l.* It is clear, therefore, that the Bank had substituted Gold for Silver to the amount of about 1,000,000 *l.*

Taking Denmark, Sweden, and Norway together, the excess thrown on the market through the monetary changes, may, according to the foregoing figures, be estimated as follows:

	£.
In Denmark the excess of Silver exported was about - - -	600,000
n Sweden - - - - - - - - - - -	200,000
In Norway - - - - - - - - - - -	1,000,000
The Total Amount would be - - - - - - £.	1,800,000

thrown on the market by the process of demonetisation in the Scandinavian Kingdoms.

India.

Your Committee now proceed to report on the facts which have been brought to their notice in respect of India.

The falling off in the demand of Silver for India has been adduced as a very serious element in the decline of prices in that metal. Such a decline might be due to either or both of the following causes: (1.) A diminished demand for remittances, owing to the circumstance of the balance to be remitted to India being actually less; (2.) An increase in the supply of a different form of remittance, such as Government Bills, which merchants could remit in lieu of Silver.

The evidence afforded to your Committee as to the decline in the demand for remittances to India in the ordinary course of trade has not been conclusive. It

It has been stated that the depression in the Indian trade caused a smaller demand for Silver. On the other hand, it has been stated that, as the depression of trade has extended as much to the import trade to India, as to the export trade from India, the balance of transactions which alone has to be settled by remittances of Bills or Silver, has been comparatively unaffected by the dulness and unsatisfactory condition of trade, which has undoubtedly prevailed for some years past.

Taking the transactions in merchandise alone, India has been in the position of having to claim a considerable balance from other countries for a long series of years.

The statistics of trade between India and this country are very complicated, as in many departments "shipments to the East" do not clearly define how much is destined for India and how much for other eastern countries. Again, as appears in the evidence of Mr. Crawford, balances arising from the trade between India and America, or between India and China, have to be settled by transactions between India and England. It is, therefore, to the aggregate imports and exports of India that regard must be had rather than to the transactions between India and England or Europe. Q. 605.

Your Committee accordingly call special attention to the papers put in by Mr. Waterfield, of the India Office, as to Indian trade, which gives totals of exports and imports relating to India, compiled from Indian sources. Appendix 26.

The following figures shew, in round numbers, the excess of exports from India over the imports, for a series of years:—

Official Years.	Exports (exclusive of Treasure).	Imports (exclusive of Treasure).	Excess of Exports.
	£.	£.	£
1855–56	23,040,000	13,945,000	9,095,000
1856–57	25,340,000	14,195,000	11,145,000
1857–58	27,460,000	15,275,000	12,185,000
1858–59	29,860,000	21,730,000	8,130,000
1859–60	27,960,000	24,265,000	3,695,000
1860–61	32,970,000	23,495,000	9,475,000
1861–62	36,320,000	22,320,000	14,000,000
1862–63	47,860,000	22,630,000	25,230,000
1863–64	65,625,000	27,145,000	38,480,000
1864–65	68,025,000	28,150,000	39,875,000
1865–66	65,490,000	29,600,000	35,890,000
1866–67 (11 months)	41,860,000	29,040,000	12,820,000
1867–68	50,875,000	35,705,000	15,170,000
1868–69	53,060,000	35,990,000	17,070,000
1869–70	52,470,000	32,925,000	19,545,000
1870–71	55,335,000	34,470,000	20,865,000
1871–72	63,190,000	32,090,000	31,100,000
1872–73	55,230,000	31,875,000	23,355,000
1873–74	54,980,000	33,835,000	21,145,000
1874–75	56,360,000	36,220,000	20,140,000
1875–76	56,210,000	38,515,000	17,695,000

These figures are given, in accordance with the usual practice of the Indian Government, at the exchange of two shillings to the rupee, instead of at the varying rates of the several years. As the conclusions to be drawn from the statement would not be altered by taking the current rate of the individual year, your Committee have throughout adopted the figures of the export and import trade of India as officially given.

Custom House Statistics, as to the value of exports and imports, are stated never to be entirely reliable; but even if they do not afford accurate

information as to any particular year, a general view of the relative transactions over a series of years may be legitimately based upon them. It appears, then, that in the last four years, during which the fall in Silver has occurred, the excess of exports of merchandise over imports ranged between 17,695,000 *l.* and 23,355,000 *l.* In 1871-72 it was very much larger, reaching the sum of 31,100,000 *l.* Compared with that year, there has accordingly been a much smaller balance to settle by remittances since; but that year was exceptional. In the four previous years, the annual balance to be remitted ranged between 15,170,000 *l.* and 20,865,000 *l.*, the extreme limits and the totals being both lower than in the years 1872-73 to 1875-76.

The years of the cotton famine ought clearly to be eliminated in any general review. They led to an extraordinary increase in the excess of the exports over the imports, and in the amount of bullion remitted to pay for that balance.

	£.
In 1861-62 the exports from India were	36,320,000
In 1862-63 they rose to	47,860,000
In 1863-64 they were	65,625,000
In 1864-65 „	68,025,000
In 1865-66 „	65,490,000
Then they fell, in 1866-67 (11 months), to	41,860,000

It will be seen that through a change in the arrangement of the financial year, the year 1866-67 contained only 11 months, but in 1867-68 the amount was not more than 50,875,000 *l.* The exceptional effect of the cotton famine is quite apparent in these figures. And the same result is seen in the total bullion imports.

	£.
In 1861-62 they were	14,950,000
In 1862-63 they rose to	20,510,000
In 1863-64 they were	22,960,000
In 1864-65 „	21,365,000
In 1865-66 „	26,555,000
In 1866-67 (11 months) they fell to	13,235,000
In 1867-68 they again fell to	11,775,000

To form an opinion, therefore, of the normal trade of India, the years from 1862-63 to 1865-66 should be omitted. Making this omission accordingly, it is not apparent that there is any such reduction in the surplus of exports over imports, representing the amount to be settled in favour of India, as would count for much in the fall in price of Silver, and the exports during the last four years have been almost exactly equal to those of the previous four years, even including the exceptional year 1871-72.

From 1872-73 to 1875-76 the exports were, in round numbers, 223,0000,00 *l.*; from 1868-69 to 1871-72, they were 224,000,000 *l.* In the last four years the imports were 140,500,000 *l.* In the four previous years they were 135,500,000 *l.*

To a small extent it is true, therefore, that, looking over the range of these eight years, the amount to be claimed by India as the balance between her exports and her imports has been reduced, and it is to be remarked that, on the basis of these statistics, it is especially true of the last year of the series, not so much owing to a diminution of exports, as to an increase in the imports.

But the test should also be applied of the actual amount remitted. If it is true that there was a less amount due, and to be remitted, is it also true that less remittances were made?

The following are the facts:—

There were remitted between 1868-69 and 1871-72:—	£.
In Treasure	40,000,000
In Government Bills	29,500,000
Total £.	69,500,000

There were remitted between 1872-73 and 1875-76 :—	£.
In Treasure - - - - - - - - -	16,500,000
In Government Bills - - - - - - -	50,500,000
£.	67,000,000

There has accordingly been a slight diminution in the total to be remitted, and again it appears that this diminution is mainly to be found in the last year, the figures being for Treasure and Bills together—

£.	
15,500,000 - - - -	for 1875-76
compared with 17,400,000 - - - -	for 1874-75
17,200,000 - - - -	for 1873-74
17,200,000 - - - -	for 1872-73

The average of the four previous years was 17,400,000 *l.*

These statements certainly show a decline in the demand for remittances, but not on a scale sufficient to account for any great fall in Silver. Looking further back, it will be seen that—

	£.
In the year - 1866-67 the amount remitted was - -	16,400,000
„ 1867-68 „ „ - -	14,350,000

And in the year 1867-68 the price of Silver was about 60½ *d.* per oz. standard.

The great change has not been in the aggregate amounts remitted, but, as the foregoing Tables have shewn, in the mode of remittance.

It will be observed that Government Bills have in the foregoing calculations been added to the Treasure remitted. To the merchant and banker, remittances in these Government Bills are equally, if not more, convenient than a remittance of Silver. It is simply a question of price between the two. The Government Bills on the Indian Presidencies, which are offered for sale, are payable in rupees, thus entitling the purchaser to an amount of Silver in India. The balance of ordinary trade is settled by one form of remittance as well as by the other; and it will be seen that, though the total amount of Treasure and Bills together remitted to India during the last four years has but slightly declined, the proportion between the two has been entirely reversed, as the following figures shew :—

	Treasure.	Government Bills.
	£.	£.
Period between 1868-69 and 1871-72 -	40,000,000	29,500,000
„ 1872-73 and 1875-76 -	16,500,000	50,500,000
Annual Average, 1st period - -	10,000,000	7,400,000
„ „ 2nd „ - -	4,100,000	12,600,000
And, in 1875-76, the proportions were	3,100,000	12,400,000

It will be seen, therefore, to what a great extent the purchase of Government Bills has displaced the transmission of Bullion. The difference would be still greater but for the year 1870-71, which is included in the first period, but which appears to have been an exceptional year, by the following figures :

	£.
In 1869-70, Bullion was sent to the amount of - - -	13,955,000
In 1870-71 „ „ „ - - -	5,445,000
In 1871-72 „ „ „ - - -	11,575,000

notwithstanding that more Government Bills were sold in 1871-72.

In the figures given hitherto Gold and Silver have been taken together,

and the whole of the diminished value of the Bullion exports must not be calculated as relating to Silver.

	£.
From 1868–69 to 1871–72 the surplus of Gold imports into India was -	16,500,000
From 1872–73 to 1875–76 „ „ „ - -	7,500,000
From 1868–69 to 1871–72 the surplus of Silver imports into India was -	23,500,000
From 1872–73 to 1875–76 „ „ „ - -	9,500,000

The diminution, therefore, as far as these two periods are concerned, is divided between the two metals.

The following are the figures for Silver alone; and they shew at a glance the exact proportions of the diminished demand for Silver:—

	Net Imports (after deducting Exports).
	£.
In 1866–67 - - - - - - - - -	6,960,000
„ 1867–68 - - - - - - - - -	5,590,000
„ 1868–69 - - - - - - - - -	8,600,000
„ 1869–70 - - - - - - - - -	7,320,000
„ 1870–71 - - - - - - - - -	940,000
„ 1871–72 - - - - - - - - -	6,515,000
„ 1872–73 - - - - - - - - -	705,000
„ 1873–74 - - - - - - - - -	2,450,000
„ 1874–75 - - - - - - - - -	4,640,000
And, in the year just concluded, *i.e.*, 1875–76 - - - -	1,555,000

In the years of the cotton famine the amounts were very much larger, viz.:—

	£.
In 1862–63 - - - - - - - - -	12,550,000
„ 1863–64 - - - - - - - - -	12,795,000
„ 1864–65 - - - - - - - - -	10,080,000
„ 1865–66 - - - - - - - - -	18,670,000

These years were, as have been stated, quite abnormal, and have, therefore, been excluded in the foregoing calculations; their effect may, nevertheless, have extended over the next four years. Europe was swept for Silver remittances to India during the American war. At its conclusion it would be natural that some Silver would flow to the countries which had furnished Silver supplies in addition to the new Silver produced from the Mines. It might, therefore, fairly be argued that, though the abnormal years in question may be omitted, some consideration ought to be given to the fact that they tended to keep up the price of Silver even subsequently to the extraordinary supplies furnished to India at that time; and that, in addition to the smaller amounts actually sent to India of late, the cessation of the effects of the Silver importation of the period of the cotton famine ought to be taken into account, and that, accordingly, the fall from the 28,000,000 *l.* of Silver sent during the period from 1867-68 to 1870-71, to the 20,000,000 *l.* sent between 1871–72 and 1874–75, or even the fall from the larger figures of the earlier years to the amount of 1,555,000 *l.*, the net imports for 1875–76, does not give a full measure of the actual effects.

Whatever these effects may be, they are simply to be accounted for by the large amount of bills on India, which the Indian Government have now annually to sell. It may be said that their requirements are, in round numbers, about 1,250,000 *l.* a month, or 15,000,000 *l.* per annum. This is the sum which has to be paid annually by India to England, and this sum, *pro tanto*, displaces the despatch of bullion. It appears that, previous to 1862-63, the bills drawn in England never reached the sum of 4,000,000 *l.* The excess of the present requirements is therefore 11,000,000 *l.*

Appendix, 27.

Appendix, 26 B.

The full effect of these requirements has only recently been felt. So long as Railways were in course of construction in India on an extended scale, and money was being raised in this country for their construction, funds which were to be spent in India on wages or other expenses came into the hands of the Government here, and were paid out by the Government in India. The exact method of proceeding will be found in Mr. Crawford's evidence.

Q. 611—627.

The

The Government were thus furnished with funds to that extent without the necessity of selling bills, or, to put the matter in a different form, so much more money had to be remitted to India in one form or another. The proceeds of the railway loans (so far as they were not spent on materials purchased in England) passed over to India. The Government did not themselves remit Silver, having Silver at their disposal in India, but they had so much less Silver to pass over to merchants in India, and accordingly the merchants had to buy and remit so much more Silver themselves.

A paper put in by the Under Secretary of State for India, shewing the mode in which the *disbursements* of the Home Treasury of the Indian Government have been provided for over a series of years, brings out the effect of the railway loans into clear relief, as also the growth of the total "home requirements." Before the Indian Mutiny the total disbursements at home ranged, very roughly speaking, between 4,000,000 *l.* and 5,000,000 *l.* sterling. From 1860–61 to 1866–67 they ranged between 9,000,000 *l.* and 11,000,000 *l.** Now they stand at about 15,000,000 *l.*, and to the precise extent to which India must thus remit funds to the Home Government, she has so much less to receive in merchandise or Silver. Her powers of importation are reduced to that extent. Appendix, 27.

Other columns in the same statement show the various modes in which the money was provided. Attention need only be drawn to three columns, the funds paid in by the railways, the Government loans raised, and the drafts on India.

Taking the receipts from the railways, it appears that during the 10 years 1860–61 to 1869–70 the Indian Government received, as a balance to be paid out in India, 35,000,000 *l.* from the Guaranteed Railway Companies, or, on an average, 3,500,000 *l.* a year.

In the year 1870–71 the amount received was 2,250,000 *l.*, and in 1871–72, 1,200,000 *l.* Since then the receipts from this source have been practically closed; nay, more than this. In 1872–73 the railways received from the Government in London 530,000 *l.*, and in 1874–75 nearly 800,000 *l.*, in place of paying an annual average of 3,500,000 *l.* in the previous period. In round numbers, therefore, the Government had to provide 4,000,000 *l.* a year more than in the previous period, by other means. These other means were either drafts on India, or loans raised on its own account at home. In 1874–75 about 5,000,000 *l.* was raised by loans, and in that year only 10,840,000 *l.* was drawn, but in the two previous years the drafts amounted, as has been shewn, to between 13,000,000 *l.* and 14,000,000 *l.*, and in the first 10 months of the year 1875–76 to 12,360,000 *l.* It appears that they would have nearly reached 15,000,000 *l.*, but for the difficulties experienced in selling bills in February and March. The Committee have no official evidence before them as to how the balance was raised, but witnesses stated that the difficulty was being met by loans.

The account of the diminished amount which India had to claim in return for her exports, would not be complete without a reference to the fact, brought to the notice of your Committee, that less of the money received by Europeans in India appears to be retained in that country than was formerly the case. It has been stated that, owing to various circumstances, more funds are remitted to England not only after fortunes have been made, but during the sojourn of the various officials or European residents in the country. A remittance from India to England is equivalent to a draft from England on India. It diminishes the aggregate balance which India has to claim when transactions are squared. And in proportion as this practice increases, so is the demand for Silver diminished. Q. 552.

The transfer of any India Stock held in India to European holders, would, of course, have a similar effect. If, for example, rupee paper is held in India, the interest on such paper remains in India. If, on the other hand, even the rupee paper finds its way to this country, the interest is paid to the English holder in a draft on India, and, therefore, so much less Silver has to be sent out.

To

* In 1863–64 the total given is 16,800,000 *l.*; but this amount includes an item for the repayment of debt of nearly 8,000,000 *l.*

To recapitulate the bearing of Indian trade and Indian finance on the fall of Silver, it may be stated:

1st. That the total remittances actually made to India in Government Bills and Treasure together, in the ordinary course of business, have declined, but only on a slight scale.

2nd. That except for other causes, and excluding the extraordinary years of the cotton famine, there is no evidence to shew that the demand for Silver would have materially fallen off;

3rd. But that the supply of a different form of remittance, namely, Government Bills, has superseded to a great extent the necessity of remitting Bullion.

4th. That the effect of this substitution has to be measured in very large figures, as the yearly amount payable by India for the disbursements of the Home Government has risen since the Indian Mutiny from 5,000,000 *l.* to 15,000,000 *l.*, a difference of which the magnitude will be appreciated when it is remembered that it is considerably more than half of the total amount of Silver annually produced.

5th. That the full effect of this substitution has only been recently felt, as that effect was retarded by the construction of the Indian railways, which involved an expenditure in India of money raised in England, counterbalancing therefore an equal amount of expenditure in England of money raised in India.

6th. That the amount of the disbursements which has just been stated appears to represent the present normal expenditure of the Home Government, and that, therefore, unless by some marked change of policy, no diminution of that amount can be looked for.

It is apparent from the foregoing observations, that, while undoubtedly the fall in the Silver market affected the Indian exchanges, causing all bills payable in rupees to experience a corresponding fall in value, it is also true that the situation of the Indian exchanges, involving, as it has done, a proportionately decreasing demand for the means of payment in India, owing to the increasing amounts which India had to pay in England, has itself acted upon the Silver market, and would have tended under any circumstances, *pro tanto*, to lower the exchange value of the rupee.

It remains to be considered what is the capacity of India for purchasing or absorbing Silver, notwithstanding the circumstances indicated.

Appendix, 26 c. The amount of Silver which India has absorbed during the last 40 years, may be stated in round numbers at 200,000,000 *l.* The surplus of imports over exports of Silver is given in the official tables as 198,464,000 *l.* for the 40 years Appendix, 28. between 1835-36 and 1874-75. Colonel Hyde, for 14 years the Director of the Mint in Calcutta, furnished your Committee with statistics respecting the Indian coinage up to the year 1866-67. The total amount of Silver coinage between 1835-36 and 1868-69 amounted to 188,531,000 *l.*, including the re-coinage of old coin to the amount of about 21,000,000 *l.* India accordingly was furnished with 167,000,000 *l.* in additional Silver coin between these dates. It should be added that the total export of Silver from India is so small that no appreciable quantity of the Silver coined can have left the country. Colonel Hyde was examined with reference to the redundancy or insufficiency of the coinage thus supplied. He was asked whether he believed that India Q. 912 *et seq.* has already been supplied with adequate Silver currency. He stated in reply his belief that the capacity of India for absorbing Silver currency remained great. He gave as the grounds of his belief that in many parts of India, especially in the distant and more isolated parts, transactions were not carried on by currency but by barter. He explained that "wherever large public works "have been in progress, such as railways, roads, and irrigation schemes, Silver "had been generally distributed in such districts," and that where this had taken place, the use of Silver currency had superseded barter arrangements to a great extent. Where the natives have once been taught the convenience of Q. 1065 *et seq.* Silver currency, there the currency remains. Another witness, Mr. Mackenzie, also spoke strongly on the absorption of Silver by India. He said: "It appears "from historical periods she has always gone on absorbing Silver, and there seems "at present no cessation to this absorption." He also spoke of the circulation in many

many districts being "totally inadequate," "a large amount appears either to "be hoarded or converted into ornaments, and remains in the district."

A practical distinction should, in the opinion of your Committee, be drawn between the addition made to a currency in countries where all transactions have been previously carried on the same form of currency, and where accordingly an increased supply would simply have for its effect a rise in prices, and, on the other hand, an addition made to the currency by the extension of that currency, over fields where transactions were previously carried on in a totally different form.

If, at a former period, only a portion of India used Silver to any extent in the ordinary transactions of life, and if now the extent of territory using it has been doubled, it is clear that India requires more Silver than formerly; and the facts of the case seem to warrant the conclusion that the use of Silver coin has greatly extended in India, and will continue to extend, not so much by the use of more Silver in the terrritories already occupied by the existing currency, as by the gradual increase of its use in the remoter parts of India.

The question of the expectation which may be formed as to India continuing to absorb Silver, is, however, not confined to the consideration of the currency. The practice of the natives to accumulate Silver ornaments must also be taken into account. Mr. Mackenzie said that an immense amount of the Silver is converted into ornaments, and absorbed. Asked whether he could speak from positive knowledge, he replied: "From having seen it done. In "every large village there is a silversmith, or some one who works in Silver, "and as soon as a man gets a few rupees he employs the silversmith to come "to his house and make the ornaments there." The same witness said: "Although the peasantry in India have poor houses, yet the amount of orna- "ments they have would exceed in value the furniture and utensils of the same "class of peasantry at home." Q. 1046. Q. 1052.

It appears to your Committee that, independently of the question of the employment of Silver as a circulating medium in India, it is clear that there is a constant demand for it, in a proportion quite unknown in European countries, for manufacturing purposes amongst the population of India. Its use for such purposes in Europe appears, as will be shewn in this Report, to be comparatively small; but in India, first passing through the stage of coinage, vast amounts may be thus absorbed. The tendency to this practice appears to be manifest even by the statistics of Gold in India. Gold enters only to a slight extent into the monetary transactions of India; yet the surplus of the imports into the country in the course of forty years has been no less than 100,000,000 *l.*

Colonel Hyde, in reply to a question as to what had become of the large amount of Gold sent to India, said: "I think it is turned into ornaments, "used in manufacture, or hoarded." Q. 938.

With a population thus accustomed to use the precious metals in large quantities for purposes different from that of circulation, the calculations which would be applicable in the case of European countries, as to the amount of Gold and Silver which they can use without causing a rise in prices of all goods, will hold good in a far less degree.

Your Committee believe that as India has been a great consumer of Silver in the past, so it will continue to be in the future, the question at issue being rather, how, looking to the amount it has to pay to this country for Government purposes, it will be able to pay for that Silver, than whether a desire to obtain and use Silver will exist. At this point the passion for accumulating ornaments seems to be of much importance. Bullion is the *final* method by which, in most countries, the balance of trade is settled. It is sent, so to speak, when the demand for other commodities from other countries is exhausted. But in a country where Gold or Silver is largely used for manufacturing purposes it does not absolutely follow that it would only be imported when required to adjust a balance. If the exports from India were to fall to a point at which

they only equalled the present value of the imports plus the amounts due to the Government at home, it does not follow that the import of Silver into India would absolutely cease. It is open to question, whether, in such circumstances, the demand for Silver would not be such as to displace some of the other articles imported. Your Committee confine themselves to the simple indication of this possibility, which is, however, rendered more probable by the great fall in the price of Silver. Silver is thus acquired more easily, while the export of other goods to India is discouraged for a time at least by the great fall in the exchanges.

On this head, Mr. Bagehot, the editor of the "Economist," gave very interesting evidence. He stated the conclusion at which he had arrived, that "the first immediate effect of the depreciation of Silver would be to cause an
Q. 1363 *et seq.* "unfavourable balance of trade with the East, and in consequence a great export "of Silver to the East." He pointed out the mode in which the fall in the price of Silver would for a time encourage exports *from* India, and discourage imports *into* India. By such a process, a larger balance due by other countries to India would be created, and Silver would be taken to cover the difference. Mr. Bagehot also pointed to the length of time, and vast amount of Silver currency which it would take to depreciate Silver to the extent of 2 per cent. all over the East.

While admitting the speculative character which must necessarily attach to opinions as to the amount of Silver which India is likely to absorb, your Committee have thought it right, looking to the fact that the subject of the Indian Exchanges had been specially referred to them, to call attention to the foregoing considerations side by side with their remarks on the great diminution in the Silver remitted to India during the last few years.

Your Committee have now described the main causes which have been simultaneously in operation producing the Depreciation of Silver. They have given such an account as they were able of the increased production in the United States and the surplus supplies from Germany and the Scandinavian Kingdoms on the one hand, and of the decreased demand for India on the other; but further light may be thrown on the subject by the enumeration of the legislative steps which have elsewhere than in Germany and Scandinavia affected the demand, and by the examination of the ebb and flow in the movements of Silver in other countries.

The Latin Monetary Union.

Appendix, No. 21 (No. 7). Reference has already been made in this Report to the Latin Monetary Union. The despatch of Mr. Lumley, Her Majesty's Minister at Brussels, gives a full and interesting account of its original formation in 1865, to which your Committee beg to refer. Mr. Bagehot also described the circumstances of this Monetary Union in his evidence, and numerous official document from France, Italy, Switzerland, and Belgium, contain information as to the motives with which it was constituted, and the situation in which the members of the Union now find themselves. It should be observed that the Union was formed more than 10 years ago, and that though the measures which it has recently taken with regard to the coinage of Silver have given special importance to its attitude on this question, the present situation was in no way contemplated when it was formed.

The following description of the Convention by which the Union was constituted is given by Mr. Lumley, Her Majesty's Minister at Brussels:—"This "Convention determines, among other points, the conditions of the emission of "divisional coins which are struck at a rate inferior to that of the monetary "standard, giving rise to several important conditions established by the Con-"vention, the emission of the same being limited, and its acceptance not being "obligatory beyond a certain fixed sum; the loss from wear being borne by the "Government by whom it is emitted. It assures the legal circulation of the "money of the one State in all the States of the Union; this being only imposed, "however, on private individuals with regard to the national coinage, though "it is admitted for the coins of all the States belonging to the Union. The "amount

" amount to be emitted by each country is calculated at six francs per head of " the population according to its presumed increase up to 1879, and is fixed " for—

	Francs.	
Belgium	32,000,000	Divisional Coin.
France	239,000,000	
Italy	141,000,000	
Switzerland	17,000,000	

" As has been already stated, in consequence of the fall in the value of Silver, " a law was passed in 1873 enabling the Belgian Government to suspend or limit " the coinage of 5-franc pieces. This principle was subsequently adopted by " the States of the Latin Union; and at the meetings of their respective dele- " gates, which have taken place annually at Paris since 1874, the limitation of " the Silver coinage was fixed as follows:

Countries.	1874.	1875.	1876.	Total.
	Francs.	Francs.	Francs.	Francs.
For Belgium	12,000,000	15,000,000	10,800,000	37,800,000
For France	60,000,000	75,000,000	54,000,000	189,000,000
For Italy	40,000,000 (Ordinary). 20,000,000 (Extraordinary).	50,000,000	36,000,000	146,000,000
For Switzerland	8,000,000	10,000,000	7,200,000	25,000,000

" With one exception, each State has either coined, or caused to be " coined, the contingent awarded to it; that exception is Switzerland, where a " tendency exists for adopting a single Gold standard. In 1874 Switzerland " caused 7,000,000 of francs, forming the complement of its contingent for that " year, to be coined at Brussels, but it did not make use of its right to coin " its contingent in 1875, nor does it appear to have the intention of exercising " it this year."

As appears from the foregoing description, Belgium led the way amongst the members of the Union in limiting the coinage of 5-franc pieces in view of the position of Silver. The action taken by all the members of the Union in suspending the free coinage of Silver has naturally exercised a very important influence on the market.

It is not only the actual limitation of the amount which has to be taken into consideration. So long as the holder, or importer, of bullion knows that he can present his bullion at the Government Mint to be changed into coin, his bullion has a definite value for him, and is practically equivalent to legal tender. To suspend or abolish the privilege of presenting the metal at the Mint to be turned into coin, is, so to say, to demonetise the metal, though the coins already struck, *i.e.*, the existing circulation, may not be demonetised. The suspension of the privilege of unlimited coinage has been decreed among all the members of the Latin Union. They are under covenant to each other not to coin beyond the amount allotted to them annually, but it would appear that they may follow their own discretion in either reserving the limited issue permitted for the State, or distributing it amongst individuals under such restrictions as they may see fit to adopt. The advantage of coining Silver coins to pass as legal tender for their full nominal value, while the value of the metal itself is depreciated 10 to 15 per cent., is so great that the restrictions mutually imposed on each other by the members of the Monetary Union, and on importers or holders of Silver by the respective Governments, were unavoidable.

The various members of the Union have still the right, as has been shewn, to coin a certain amount, but whether they will or will not make use of that right rests with themselves. The latest law presented on the subject is the Bill lately introduced by the French Minister of Finance in the following terms:—

" Art. 1. The manufacture of Silver five-franc pieces can be limited or sus- " pended by the Government.

 " Art. 2. The

"Art. 2. The present law will only remain in force up to the 31st January "1878."

Your Committee, as already stated, have not thought it within their functions to inquire what steps are likely to be taken by the members of the Latin Union in future, nor have they taken evidence upon the point. Mr. Seyd, in a Paper which he put in, states his opinions with regard to the course which will have to be taken both by these States and by others, but it must be understood that the Committee are in no way responsible for these views, nor have they cross-examined Mr. Seyd or any other witnesses upon the subject.

Appendix, 2.

The case of Holland differs in so far from that of the members of the Latin Monetary Union, inasmuch as the latter had the double standard, whereas Holland had the Silver standard. Indeed, Holland made the change from a Gold to a Silver standard in the year 1847.

Appendix, 21 (No. 18).

It was not sufficient, therefore, for Holland to suspend the coinage of Silver. The coinage of Gold was authorised at the same time; and, at present, under a temporary Act which will shortly expire, the privilege of coining a limited amount of Silver is reserved for the Government, while the public have been granted the privilege of having Gold bullion turned into coin.

The legislative act of Holland, like that of the Latin Monetary Union, is calculated to lower the value of Silver, both by the withdrawal of the valuable privilege which formerly attached to the metal, and has now been transferred to Gold, and by the actual limitation of the sums which are coined.

General Movements of Silver.

Your Committee, having now described both the supplies which have been thrown on the market by the process of demonetisation in several countries, and the legislative action taken by other countries in view of the situation produced, now address themselves to the question as to what has become of the Silver which has been imported while the changes referred to have been in progress. The answer to this question must have an important bearing on the degree to which the causes which have been in operation to depress the Silver market have been counterbalanced by circumstances creating a demand.

Appendix, 6.

	£.
The aggregate production of Silver during the last four years (1872-75) may be estimated at	54,700,000*
The aggregate production of Silver for the four previous years (1868-71) has been estimated at	41,500,000
During the last four years India took and retained	9,100,000
During the four previous years India took and retained	23,400,000

In the previous four years accordingly, the balance to be disposed of, after India was supplied, was 18,100,000 *l.* In the last four years it has been 45,600,000 *l.*, certainly an extraordinary difference. To this amount of 45,600,000 *l.* must be added the 6,000,000 *l.* which has been sold by Germany, and about 2,000,000 *l.* set free by the action of the Scandinavian kingdoms. It appears therefore, that a sum of nearly 54,000,000 *l.* has had to be sold after the requirements of India had been satisfied, and after Germany had become a seller instead of a buyer, as compared with a sum of about 18,000,000 *l.* which had to be similarly disposed of in the four previous years. The mere statement of these figures appears sufficient to account for the serious fall in price which has occurred.

Your Committee have endeavoured to trace what has become of the total Silver produced. Knowledge as to the quarters in which it has been absorbed appears of considerable importance, not only in showing how a greater fall even than that which has taken place has been averted, but also as shewing to some extent whether particular countries in the future are more likely to buy or to sell.

Unfortunately the statistics of the imports and the exports have not been furnished for all countries, and in several, where they have been furnished, they are incomplete. A general idea may, however, be gained by a careful study of the figures supplied.

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* In this estimate, the production in the United States in 1874 is taken at 6,400,000 *l.*, and that in 1875 at 7,000,000 *l.*, in the place of the figures given by Sir H. Hay (*vide* p. xiv).

Austria.

Austria appears to have taken none of the disposable Silver. On the contrary, as stated in a memorandum forwarded by Lord Odo Russell, the Imperial Bank appears to be endeavouring to accumulate Gold in its cellars, and to reject Silver. This bank possessed— Appendix 21 (No. 15.)

Years.	Gold.	Silver.
	Guldens.	*Guldens.*
In 1865 - - - -	1,507,000	against - - 120,014,000 (about 12,000,000 *l.*)
„ 1871 - - - -	44,403,000	„ - - 99,093,000 (about 10,000,000 *l.*)
„ 1875 - - - -	67,854,000	against - - 66,562,000 (about 6,600,000 *l.*)

The decrease since 1871, therefore, amounts to nearly 3,500,000 *l.*

During the four years from 1868 to 1871, the imports and exports of Silver were as follows:

——	1868.	1869.	1870.	1871.	1868 to 1871.
	£.	£.	£.	£.	£.
Imports - - -	1,560,079	1,236,375	838,455	766,532	4,401,441
Exports - - -	1,026,801	504,844	1,126,819	2,064,391	4,719,855
Difference between Imports and Exports - £.	+ 533,278	+ 731,531	— 288,864	—1,294,859	— 318,414

During the years 1872 to 1875 they were as follows:

——	1872.	1873.	1874.	1875.	1872 to 1875.
	£.	£.	£.	£.	£.
Imports - - -	571,106	1,462,835	930,708	896,785	3,861,434
Exports - - -	3,733,657	1,818,478	1,338,897	1,021,304	7,912,336
Surplus of Exports - £.	3,162,551	355,643	408,189	124,519	4,050,902

It will be seen that Silver began to be exported on a considerable scale in the year 1870, that in 1872 the excess of exports over imports assumed very large proportions, and that this excess continued during the years 1873-4-5. The total excess for the four years is upwards of 4,000,000 *l.*

The coinage of Silver coins has been almost stopped in Austria. In 1869, 13,000,000 guldens were coined. In 1870, 14,000,000 were coined. During the whole of the next five years little more than 2,000,000 have been coined. Thus, far from relieving the Silver market, Austria has also contributed by her operations, so far as can be ascertained, to depress the price.

Italy.

No trustworthy statistics have been presented to your Committee with regard to Italy for any year after 1873, and those supplied with regard to earlier

years are not very consistent. From the information obtained, it seems clear that Italy has been a constant exporter of Silver since April 1866, when a forced paper currency was introduced. It will be seen from the Report of Mr. A. Macbean, forwarded by Sir A. Paget, that from the years 1860 to 1865 inclusive, France exported to Italy 10,000,000 *l.* more than she received from Italy, whereas from the year 1866 to 1872, Italy exported to France 27,000,000 *l.* more than she received from France. A French commercial Return, quoted in this Report, shews that immediately after the introduction of the forced currency, *i.e.*, in the years of 1866 and 1867, the sums sent to France exceeded those received by 12,000,000 *l.* In the following year the imports and exports were fairly balanced, but the exportation began again in 1869, and from then to 1873 the surplus of exports averaged 4,000,000 *l.* a year. Whether the stock of Silver in Italy would have permitted a continued export on this scale during the years 1874 and 1875 is not apparent. It is stated that on the 30th April 1866, the day on which specie payments were suspended, the value of Silver currency known to exist throughout the then Kingdom of Italy was estimated at about 17,000,000 *l.* It is difficult to see how, if this be correct, the French commercial Returns can be correct, which give an excess of 27,000,000 *l.*, as surrendered by Italy to France since 1866, unless, indeed, the sum of 17,000,000 *l.* included only Italian coins, and was exclusive of the large sums of French coin previously imported. At all events, it appears that Italy can have no Silver left to spare. Indeed, the Report of Sir A. Paget states that the Monetary Convention concluded at the end of 1865, when the Latin Union was formed, encouraged the export and employment of part of the coin thrown out of circulation in Italy by the forced paper currency. It is stated that the inducements to export the Italian specie were very great, and it is added, "even the divisional Silver coin, possessing intrinsically 9 per cent. less than its nominal value, irresistibly found its way out of the country, the agio between silver and paper exceeding that rate. The Italian coinage was of the same width, purity, and diameter as that of France, Germany, and Switzerland. It was received from each of the State Treasuries of these countries, and the researches of a Committee of Inquiry, which met in 1868, revealed the existence in the coffers of the Bank of France and of the National Bank of Belgium of a great abundance of Italian divisional Silver coin."

Appendix 21 (No. 10.)

Further on, referring to the year 1873, it is stated that "Gold and Silver had long ago disappeared from the circulation of Italy."

In a memorandum received from a high French authority, printed in the Appendix, similar statements are made with regard to the flow of Italian coins into the coffers of the Bank of France.

Appendix 22 B.

In the Monetary Conferences which have taken place between the members of the Latin Union in the years 1874 and 1875, Italy bargained for a larger share in the distribution of the amount to be coined by each member of the Union, and an additional amount of 800,000 *l.* was allotted to her, in the first instance on the condition that it should be kept as a reserve by the National Bank, but ultimately without this limitation.

Generally speaking, the evidence seems to shew, that for a considerable period, large supplies from Italy came into France; but that Italy at this moment can have little, if any, specie beyond what she herself requires. During the years 1872 and 1873, she appears still to have exported on a considerable scale, but no evidence is forthcoming with regard to the years 1874 and 1875.

So far, therefore, as Austria and Italy are concerned, no portion of the 55,000,000 *l.* of Silver, which remained to be sold during the last four years, appears to have been taken by these countries. On the contrary, they have added to the amount.

Your Committee now turn to France.

France.

The examination of the French Tables of exports and imports shew very interesting results, both with regard to the actual amount of Silver taken, and the

the relative amount as compared with former years. The following figures are extracted from the official returns:

	Francs.	£.	
Total imports of Silver into France, 1868–71 - -	697,000,000	27,900,000	Appendix 21 (No. 2.)
„ „ „ 1872–75 - -	1,343,000,000	53,700,000	
Surplus of imports of Silver into France over exports, 1868–71 - - - - - - - - -	271,000,000	10,400,000	
Surplus of imports of Silver into France over exports, 1871–75 - - - - - - - - -	837,000,000	33,500,000	

It appears, therefore, that France imported nearly 26,000,000 *l.* more in the last four years than in the previous four years; that the *surplus* of imports over exports was about 23,000,000 *l.* more than in the previous years, and that the actual balance which France may be said to have taken off the market in the last four years is no less a sum than 33,500,000 *l.*

Of the amounts thus taken by France, a large portion has found its way into the Bank of France, which has increased its stock of Silver from 80,000,000 of francs in 1871, to 540,000,000 of francs in April of the current year. It has thus absorbed no less a sum than 460,000,000 of francs, or about 18,400,000 *l.* Appendix 22 c.

France, which was comparatively drained of Silver, has thus replenished her stocks to a very great extent; and indeed, looking at the Table furnished officially to Lord Lyons for the use of your Committee, of the stock of the precious metals held by the Bank of France during a period of 25 years, it will be seen that more Silver is held now by the Bank of France than in any previous year, except 1869. Appendix 21 (No. 3.)

The ebb and flow of Silver into and out of France has so great an influence on the market, and is so closely connected with the subject-matter of this inquiry, that your Committee subjoin the substance of a very important statement relating to the movements of Silver in France, derived from a high authority.

Appendix 22 B.

"In 1868, after a long period, during which the excess of exports of Silver in France "had reached the considerable figure of 1,400,000,000 francs (56,000,000 *l.*), the imports "began to exceed the exports, and the price of Silver returning to par, permitted the "fabrication of 5-franc pieces to be again taken up.

"At this moment there was a general agreement in valuing the stock of the 5-franc "pieces at 1,500,000,000 francs (60,000,000 *l.*)

"In the following year, 1869, the stock of Silver at the Bank had considerably "augmented, both in consequence of the resumption of the fabrication of 5-franc pieces "(none of which had been coined during the years 1856 to 1867), as also in consequence "of the almost exclusive use of Gold which had been thrown in great abundance into "circulation.

"This stock had gradually risen from 474,000,000 francs to 687,000,000 francs.

"In 1870 the Bank furnished the population in a few months with 600,000,000 francs "in Silver (24,000,000 *l.*)

"In 1871 the payment of the war indemnity commenced. The stock in the bank of "5-franc pieces no longer exceeded 70,000,000 francs.

"The metallic circulation had also become impoverished in enormous proportions, and "it had been necessary to replace coin by paper.

"In 1872 a great portion of the payment of the war indemnity to Germany was "effected. Nevertheless, the Silver which had left, returned promptly to France, and "the stock at the Bank rose from 70,000,000 francs to 110,000,000 francs, and the circu-"lation was enriched every day by the return of the 5-franc pieces.

"From 1873 forward the re-importation into France of the Silver money given to "Germany, the reappearance of Gold, and the impulse given to the coining of Silver by "the fall in the price of this metal, produced the effect of increasing simultaneously both "the circulation of Silver and the stock of the Bank."

A table is then given shewing the stock of Silver in the Bank, and the amount of Silver 5-franc pieces coined between 1868 and 1875. The amount coined in France in 1873 was about 6,000,000 *l.*, and an equal amount (in the aggregate) was coined in that year by the other members of the Latin Monetary Union. The total coined by all these countries, including France, for the eight years was 46,000,000 *l.*

The statement proceeds:

"It is notorious that the grounds for coining so large an amount during the last three "years, viz., about 600,000,000 francs (24,000,000 *l.*), are not to be sought even in Italy, "where the forced circulation is still carried on, in the necessity of providing for the "exigencies of an impoverished circulation of hard money. The coining of the 5-franc "pieces has occurred in consequence of the low price of Silver, which assured specu- "lators considerable profits.

"In this situation, coined money, according to the laws of exchange, was certain to "accumulate in that State out of the five of which the others might be debtors. France, "which has always been favoured by the balance of trade, was accordingly called upon to "encash a large portion of the 5-franc pieces which had recently been coined, and in "fact the branches of the Bank which were nearest to Belgium and Italy, have received, "and are still receiving important remittances of Silver from these two countries.

"What proportions have these remittances reached, and by what sum has our circula "tion been thereby increased? That is a difficult estimate, which can only be made "approximately.

"As has been already seen, it was admitted that the circulation in France of Silver "5-franc pieces was—

	Francs.
"In 1868 - - - - - - - - - - - -	1,500,000,000
"Since that period, the figures have been increased:—	
(1.) By the coinage in France between 1868 and 1875, in round numbers - - - - - - - - - - -	500,000,000
(2.) By the amount of the imports of foreign coins to the value of - - - - - - - - - - -	200,000,000
Which brings the actual figure of the Silver circulation to - - - - *Francs*	2,200,000,000" (£. 88,000,000.)

Pointing to the circumstance that the stock of 5-franc pieces in the Bank of France is now not much larger than it was in 1868, and not so large as it was in 1869, the writer draws the inference that "it is accordingly the "circulation which must have absorbed the increase of 700,000,000 francs (or "28,000,000 *l.*), by which the stock of Silver has been augmented."

The question is then suggested whether the result has been "a state of "plethora." "Does the circulation, surcharged with 5-franc pieces, cast up an "excess under which it feels discomfort (*qui la gêne*)?" The answer given is, "No, not up to the present time; except the railway companies and some "industrial establishments or institutions of credit which pay their cash "balances beyond their wants into the bank, trade in general and individuals "do not appear to be inconvenienced by the employment of the Silver 5-franc "piece, which still plays a part that has not lost any of its usefulness.

"The cash receipts in Paris of the bank, which may justly be considered as "a thermometer indicating exactly the situation of the monetary circulation, "justifies this opinion by the proportion in which the amounts encashed during "the last three years have been respectively composed of Gold and Silver. "In 1874 the receipts included Silver to the amount of 85 per cent.; in 1875 "to the amount of 45 per cent.; and. during the first six months of 1866, to "35 per cent."

The result of the foregoing statement, so far as the present inquiry is concerned, appears to be, that France has increased her stock of Silver by 28,000,000 *l.* since 1868, having raised that stock from 60,000,000 *l.* to 88,000,000 *l.*, and that, as far as can be judged by the evidence adduced, there is no "state of plethora." It will be remembered, too, that of this total not more than 22,000,000 *l.* were in the Bank of France.

The figures here given of the increase between 1868 and 1875 are not inconsistent with the fact of the increase being still larger during the last four years, viz., 33,500,000 *l.*, as in the years 1870 and 1871 a portion of Silver left the country in consequence of the war.

Your Committee point to the circumstance that France has thus, in replenishing her stocks, swept off an amount equal to considerably more than half of the total Silver produced during the last four years, a most important fact in relation to the future of the Silver market. Neither previous experience nor the present policy of France, in imposing limitations to the Silver coinage, justify the belief that such a process can be indefinitely prolonged.

Russia.

As regards Russia, the bullion brokers who gave evidence before your Committee were unable to state what amounts had been exported to that country, though they stated that they were aware of Silver remittances having been made. It appears certain from the official documents received from St. Petersburgh that Russia has been a buyer of Silver during the last four years. This is proved to be the case, both by the increase in the stock held by the Imperial Bank of Russia, and by the tables which have been furnished of the imports and exports. For the year 1875 no statistics are given as to imports and exports, but during the years 1872, 1873, and 1874, the exports were only 160,000 *l.*, against imports to the amount of 4,100,000 *l.* Appendix 21 (No. 13.)

The returns of the Imperial Bank shew that in the year 1871 the stock of Silver amounted to 8,250,000 roubles, whereas in 1876 it stands at 29,350,000 roubles. The increase is, therefore, 21,000,000 roubles, or rather more than 3,000,000 *l.* This circumstance strongly corroborates the statement of the surplus imports.

Spain.

No official returns have been furnished with regard to Spain, but the bullion brokers state that they are aware that that country has been a buyer of Silver.

The Board of Trade Returns of the United Kingdom shew the following exports from the United Kingdom to Spain during the last eight years : Appendix 25.*

	£.	£.
First period of Four years, 1868 to 1871 :		
1868	1,000	
1869	Nil.	
1870	3,036,000	
1871	1,054,000	
		4,091,000
Second period of Four years, 1872 to 1875 :		
1872	731,000	
1873	377,000	
1874	1,882,000	
1875	1,680,000	
		4,670,000
	£.	8,761,000

It will be seen, therefore, that since 1871 Spain has been steadily importing from this country, and that a portion of the surplus stocks of Silver produced has found its way to that country.

The United Kingdom.

England has retained, and always retains, a small portion of the total Silver she imports, but that portion is but a small part of the transactions in that metal which pass through English hands. Taking the same periods as have been taken in the case of other countries :— Appendix 25.*

	£.
The total imports of the four years, 1868 to 1871, were	41,600,000
The total during 1872 to 1875	46,550,000
The total exports for 1868 to 1871	37,400,000
„ „ 1872 to 1875	41,600,000

The excess in the first period was, therefore, 4,200,000 *l.*; the excess in the

the second period, about 4,950,000 *l.* It is interesting to observe how little fluctuation there is in this country, where Silver coins are simply tokens, as compared with the fluctuations in the other large countries of Europe. The figures quoted seem to shew that a little over 1,000,000 *l.* per annum is retained in England for replacing the coinage and for purposes of manufacture. These figures tally on the whole with those supplied from the Bank of England as to the amount of new coins issued, and with the estimate formed of the amount of Silver used for manufacturing purposes in the United Kingdom. The consumption of Silver in manufactures in the United Kingdom may be estimated at about 600,000 *l.*, as will be shown in a subsequent paragraph.

Rest of Europe.

With regard to the movements of Silver in the remaining countries of Europe, it is impossible to ascertain any particulars. Neither from Holland nor from Belgium have statistics on this head been supplied. As to Holland, your Committee have to regret that they are almost without any information, no answers to the questions with regard to imports or exports, or stocks held by the banks, having been made in reply to the questions put by the Foreign Office. The cessation of the coinage of Silver for account of individuals, which has been described, must certainly have tended to reduce the amount of importations, and to induce Holland to buy less than she previously has done. The absence of information from Holland is the more to be regretted, as her trade with her Eastern possessions, where there is an exclusive Silver currency, renders her position peculiarly interesting, as being in many respects analogous to that of the United Kingdom.

Appendix 21 (No. 7.)

As to Belgium, Mr. Lumley writes:—"No reliable information can be "obtained with reference to the amount of the precious metals exported from or "imported into Belgium." Indeed, "the returns of the trade in precious metals "have been omitted for some time past from the account of the general movement "of Belgian commerce, as the declarations made at the Custom House were "evidently incorrect and incomplete." But Mr. Lumley makes some important remarks on the view taken as to the state of the Silver circulation in Belgium at this moment. He writes: "It is a curious fact that since the relative "depreciation of the value of Silver, far from there being any complaint of a "plethora of that metal in Belgium, there has been more than once reason to "fear that the amount in the country was not sufficient for the demands of the "circulation. The amount of Silver coined by Belgium amounts to about half "a milliard of francs (20,000,000 *l.*); but in the month of March last, the stock "of Silver in the National Bank was only 30,415,000 francs (1,200,000 *l.*), in "5-franc pieces, on a total cash balance of more than 130,000,000 francs."

He further quotes Monsieur Malou, the Belgian Premier and Minister of Finance, as having stated in an official document that "notwithstanding the "enormous amount of Silver money produced before the adoption of the limitation of the coinage of Silver by the Latin Monetary Union, it is not superabundant, and that it is neither demonetised, nor suspected, in the general opinion, "notwithstanding the relative depreciation of the metal constituting it; whereas, "if there were any excess beyond the wants of the circulation, or any doubt or "moral discredit existed with regard to it, either of those causes would suffice "to cause the Silver coinage to flow into the coffers of the banks."

M. Malou thus uses a similar argument to that used by M. Camphausen in Germany, in pointing to the rate at which the precious metals flow into the coffers of the banks as an index of the stock of those metals in the hands of the public. It is a fair inference from this argument that no surplus supplies are likely to come upon the market from Belgium.

Appendix 21 (No. 8.)

From Switzerland no information as to the imports of Silver could be obtained, but the bulk of the operations in Silver in Switzerland, as in the remaining countries of Europe which have not been enumerated, is not sufficient to have any important bearing on the general question.

The East (exclusive of India).

Turning from Europe to the East (exclusive of India), it is, of course, impossible to obtain any complete information.

With regard to China and Japan, a memorandum was furnished by Messrs. Matheson & Co., giving the estimates of the amount of Silver shipped to China and Japan. These estimates apply not to British trade exclusively, but to receipts from all quarters. Appendix 24 c.

It appears that the amount of Silver imported into China and Japan in the four years 1872 to 1875, was about 7,400,000 *l.* In the four previous years the amount was 5,000,000 *l.*

This increased import of Silver into China and Japan does not seem to have been caused by any diminution in the imports of manufactured goods, as during the last four years the exports from the United Kingdom to China were larger than they had been in the previous four years. It is probable that this increased import of Silver to the East has been due to the amounts supplied from the Western Territories of the United States, which exceeded a million sterling in each of the three years 1873—1875.

China and Japan must accordingly be placed on the list of countries who have absorbed Silver during the last four years, for an amount of about 7,500,000 *l.*

With regard to some other countries in the East, some information is supplied by the statistics of the Indian Government. The *exports* of Silver from India have been deducted in the calculations made as to the amount absorbed by India itself; they amounted for the four years between 1872 and 1875, to about 6,000,000 *l.* So much of this amount as was sent back to Europe, or was sent to China, has been already accounted for, being included in the imports of those countries. A further amount represents simply a movement of bullion between India and some neighbouring regions, such as the Persian Gulf. But a considerable balance was actually distributed elsewhere, Ceylon and Mauritius especially having received large sums. It would appear that about half of the total has been absorbed in these two countries, and an amount of at least 3,000,000 *l.* must be added in respect of Eastern countries other than India, China, and Japan, to the aggregate amount taken off the Silver market during the last four years. Appendix 26 e.

United States.

It remains to ascertain the amount retained by the United States during the same period. On the one hand, it is necessary to recall the amount produced, and on the other, the amount exported, or rather the excess of exports over imports. The difference represents the amount retained for use in the United States.

The approximate figures appear to be as follows:

	£.
Produce of the United States, between 1872—1875 -	26,300,000
Excess of exports over imports during the same period -	18,700,000
Balance of production retained - - - - - £.	7,600,000

General Summary of the Movements of Silver.

Your Committee have now passed under review the movements of Silver in all countries where information was available, with the object of showing which countries have absorbed the large supplies which have been produced during the last four years, or added to the amount produced by the disposal of surplus stocks.

If the statements made with regard to the separate countries be put together, the general account will be as follows, the figures being mainly

derived from official documents, but nevertheless, doubtless, open to much criticism :—

	1872—1875.
	£.
Total production, 1872—1875 - - - - - - - -	54,700,000
Sold by Germany and Scandinavian Kingdoms in consequence of changes in the Currency, about - - - - - -	8,000,000
Surplus of Exports over Imports in Italy during 1872 and 1873 -	8,000,000
Ditto - - ditto - - Austria 1872—1875 -	4,000,000
£.	74,700,000

		£.
1872—1875	Taken by India - - - - - - - - -	9,100,000
	„ France - - - - - - - - -	33,500,000
	„ Russia - - - - - - - - -	4,000,000
	„ Spain and Portugal - - - - - -	4,000,000
	„ England - - - - - - - -	5,000,000
	„ United States - - - - - -	7,600,000
	„ Japan and the East - - - - -	7,500,000
	„ The East (other than India, China and Japan)	3,000,000
	£.	73,700,000

Your Committee only submit this statement as a general sketch. The investigation is so complicated, and surrounded with so many difficulties, and the statistics so incomplete in many instances, that it is very remarkable that the figures so nearly balance, but they are rather valuable as shewing the general tendencies of the market, and the ebb and flow in the movement of Silver, than as actual historical data.

Use of Silver for Purposes of Manufacture.

Your Committee, in the course of their inquiry, have had to consider to what extent, if any, the disuse of Silver for articles of plate, and the well-known substitution of electro-plated manufactures in their place, might have contributed to the fall in the price of silver. They did not pursue this subject into any detail, as it appeared that the total quantities in question used in Europe were comparatively too small to exercise much influence on the market in comparison with the immense operations connected with the use of Silver as a circulating medium. Evidence obtained from the Inland Revenue Office shewed the amount of manufactured Silver on which duty has been charged over a series of years. Certain articles are excepted, but the details as to the amount of duty levied are a complete indication of the quantity used for plate. An extract from the 13th Report of the Commissioners of Inland Revenue shews on what articles the duty is charged, what are exempted articles, how the duty is raised, and what is the mode of its collection. It will be seen that it is collected at the Assay Offices, which are in the following cities and towns : London, Birmingham, Sheffield, Exeter, Newcastle, Chester, and York ; Edinburgh and Glasgow, and Dublin. In London the work is done by the Goldsmiths' Company. Returns have been received from all the Assay Offices, and also statements from the Inland Revenue, and from the Statistical Department of the Custom House. Mr. Seyd also put in a paper based on official information.

Appendix 39.

Appendix 30.

Appendix 34, 35, and 36.

Appendix 32.

Appendix 36.

The amount of foreign plate imported is so small as scarcely to merit mention. How far the duty of 1*s.* 6*d.* per oz. on Silver plate, whether manufactured abroad or at home, interferes with the manufacture is an open question, which your Committee did not pursue. The annual quantity of foreign Silver plate imported ranged between 50,000 and 90,000 oz., except in the year

year 1871, when, in consequence of the war in France, the amount was somewhat increased, and reached 103,000 oz.

The quantity of Silver plate manufactured at home and exported is also very small. The amount on which drawback was allowed in the year 1852 was about 150,000 oz.; in the year 1875 it was 120,000 oz. The value of the Silver used, taken at 60 *d.*, would only be 30,000 *l.*, allowing for the fact that the duty is only paid on 5-6ths of the weight. Appendix 32.

The amount retained for home use was, in 1852, 725,000 oz.; in 1874, 730,000 oz.; in 1875, 766,000. No change of any moment is apparent in these figures. The use of electro-plate appears to have had but the slightest effect on the total quantities of Silver plate manufactured, as far as these statistics shew. Appendix 32.

And with regard to the total, it will be seen that, taking the gross weight of Silver marked at Goldsmiths' Hall and the other assay offices, it does not exceed about 1,300,000 ounces, or at 60 *d.*, 325,000 *l.* Taking into account the amount imported, the total does not reach 350,000 *l.* actually retained for use in England. To this, however, it is necessary to add what is used for electro-plating and other manufacture. Mr. Seyd estimates this quantity as under 1,000,000 oz. This amount, calculating on the old value of the metal, viz., 60 *d.* per ounce, on which all the estimates of production and supply have been framed, is 250,000 *l.* The result would accordingly be a total of 600,000 *l.* Appendix 34 & 35 Q. 1258.

The consumption in France is probably rather larger, as more "solid articles" are used. Q. 1268 *et seq.*

The great consumption of Silver plate in the United Kingdom is among the higher classes; but in France, as well as in Germany, it is among the lower classes. The German peasantry, for instance, are in the habit of collecting a certain amount of Silver spoons, which they treat as dowries for their daughters.

It is unfortunately impossible to obtain any trustworthy information on this subject. Mr. Seyd spoke of very exaggerated statements, which had been made elsewhere, with regard to an enormous consumption of Silver for manufacturing purposes. Your Committee were inclined to think that he, on the other hand, somewhat under-estimated the amount. If an amount of about 600,000 *l.* be the correct amount for England, the sum of 2,000,000 *l.* per annum for the whole of Europe would appear rather small. In any case there is no appearance of such fluctuations in the quantity as would count for much in the movements of the European markets. Q. 1280.

Final Summary.

To sum up the more striking facts which have been brought before your Committee, the situation at the present moment appears to be this:

1. The total annual production of Silver has risen to upwards of 14,000,000 *l.*, from an average of about 8,000,000 *l.* to 9,000,000 *l.* in 1860.

2. Of this amount of 14,000,000 *l.*, the Mines of the United States are estimated to have produced about 7,000,000 *l.*, with the prospect of an increase for some years to come. On the other hand, if the price of Silver should remain as low as at present, there may be some diminution in the production elsewhere.

3. Germany has still to dispose of an amount which is certainly not less than 8,000,000 *l.*, with the possibility that it may exceed 20,000,000 *l.*; but with the possibility, on the other hand, that a considerably larger sum than the estimated amount may be ultimately required for subsidiary coinage.

4. The Scandinavian kingdoms have discontinued the use of Silver; but the amounts of demonetised Silver coin which they have thrown, or can throw, on the market are not important.

5. Austria has apparently been exchanging Silver for Gold, the amount of Silver held in the Imperial Bank having diminished from 10,000,000 *l.* to 6,600,000 *l.* since 1871.

6. Italy has been gradually denuded of her Silver currency. Since 1865 large amounts have been exported; her forced paper currency has apparently expelled the whole of the metallic currency, of which the Silver coins amounted, at the beginning of 1866, to about 17,000,000 *l.*

7. France, on the other hand, has for some years past been replenishing her stock of Silver, of which during the last four years her imports have exceeded her exports by 33,500,000 *l.*

8. England, Russia, and Spain have each been buyers to the extent of some millions.

9. Japan and China, and other countries in the East, have absorbed a certain amount.

10. India still takes Silver, but in greatly decreased amounts.

11. The Home Government has Bills to sell to the extent of 15,000,000 *l.* per annum, which debtors to India can buy in the place of remitting bullion. This total has been gradually reached, and represents an excess of more than 10,000,000 *l.*, compared with 20 years ago.

12. The gross remittances of Silver to India during the last four years have been 15,600,000 *l.*, compared with 28,900,000 *l.* in the four previous years.

Legislatively, the position is as follows:—

Germany is gradually demonetising Silver, and looks forward to its use only for subsidiary coinage.

The United States is carrying out a policy of introducing Silver subsidiary coinage in the place of all fractional paper currency now afloat, and of coining full-weighted Silver coins, but only on a contracted scale, and only available for legal tender for a limited amount.

The members of the Latin Union and Holland have adopted an expectant attitude; but, meanwhile limit, as far as possible, the coinage of Silver.

No indications are given of any intention on the part of Russia and Austria to pass any laws with regard to their currency.

The actual facts which have been enumerated speak for themselves; and it will be seen at once which of them are in favour of a rise in the price of Silver, and which of them tend in a contrary direction. It is important, too, that the temporary character of some of these facts, and the normal character of others, should be fully taken into account. The surplus stock of Germany will in all probability weigh heavily on the market for some time to come, still it is a temporary circumstance. On the other hand, the United States will afford temporary relief to the market by retaining, for her own coinage, considerable amounts of the Silver there produced. It is indeed possible, according to the evidence adduced, that the United States will retain as much Silver for her new coinage operations as Germany may have to sell as the result of hers.

The case of France deserves especial attention. The replenishment of her stock of Silver can scarcely be regarded as other than a temporary circumstance. During the last four years, out of a total of 76,000,000 *l.* of disposable Silver, France absorbed 33,500,000 *l.* The relief thereby given to the market must have been immense. It is impossible to assume that it can be continued on the same scale. The natural inference to be drawn would be in the opposite direction.

With regard to India and the East, hitherto the largest consumers of Silver, so much must depend upon the prosperity of the populations, on the abundance of the crops, in fact, on their powers of production, that it is impossible to make any forecast; and as regards actual facts, no more can be stated than that, on the one hand, they have always possessed a very large power of absorbing bullion, while on the other, that power has been diminished by the growth of the sums annually payable by India to the Home Government.

The

The only facts in any calculation as to the future which are certain, and appear to be permanent, are the increased total production of Silver, and the effect caused by the necessity of the Indian Government to draw annually for a heavy amount. Both are adverse to the future value of Silver, as far as they go; but they may be partially counterbalanced by changes in the trade with the East.

As regards Europe, much must depend upon the action taken by the Governments of the various countries where the question of the currency to be adopted is still unsettled. Your Committee have not considered it to be within the scope of the questions referred to them to make inquiry as to the intentions of these Governments, though many references to their views will be found in the various official documents procured for the Committee by the Foreign Office. Your Committee on this point would simply remark, that it is obvious that, if effect should be given to the policy of substituting Gold for Silver, wherever it is feasible, and giving Gold, for the sake of its advantages in international commerce, the preference even among populations whose habits and customs are in favour of Silver, and thus displacing Silver from the position (which it has always occupied) of doing the work of the currency over at least as large an area as Gold, no possible limits could be assigned to the further fall in its value, which would inevitably take place; but your Committee are bound to refrain from giving any opinion on the expediency of such a policy, or the necessity for its adoption.

In conclusion, your Committee have to observe, that while they have endeavoured to be as precise as possible in their statement of the facts which have been brought to their notice, and to give an explicit answer to the questions referred to them, as to the causes of the present Depreciation of Silver, they consider that, in view of the many uncertain elements to which they have pointed, and which necessarily enter into every calculation as to the future, they are not authorised to offer any further opinion as to the probable course of the Silver Market, beyond indicating, as they have endeavoured to do, the various circumstances which have to be taken into account.

5 *July* 1876.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 14*th March* 1876.

MEMBERS PRESENT:

Mr. Hermon.
Mr. Christopher Beckett Denison.
Mr. Goschen.
Mr. Mulholland.
Mr. Massey.
Lord George Hamilton.
Mr. Baxter.
Mr. Fawcett.
Mr. Kirkman Hodgson.

Mr. GOSCHEN was called to the Chair.

Adjourned till Monday next, at One o'clock.

Monday, 20*th March* 1876.

MEMBERS PRESENT:

Mr. GOSCHEN in the Chair.

Mr. Hermon.
Mr. Hubbard.
Sir Charles Mills.
Mr. Baxter.
Mr. Massey.
Lord George Hamilton.
Mr. Kirkman Hodgson.
Mr. Fawcett.
Mr. Christopher Beckett Denison.

Mr. *Henry Waterfield* was examined.

[Adjourned till Thursday next, at One o'clock.

Thursday, 23*rd March* 1876.

MEMBERS PRESENT:

Mr. GOSCHEN in the Chair.

Mr. Baxter.
Mr. Hermon.
Mr. Shaw.
Sir Charles Mills.
Mr. Mulholland.
Mr. Massey.
Mr. Kirkman Hodgson.
Lord George Hamilton.
Mr. Hubbard.
Mr. Cave.
Mr. Fawcett.
Mr. Christopher Beckett Denison.

Sir *Hector Hay*, Mr. *Stewart Pixley*, and Mr. *Robert Giffen*, were severally examined.

[Adjourned till One o'clock on Thursday next.

Thursday, 30*th March* 1876.

MEMBERS PRESENT:

Mr. GOSCHEN in the Chair.

Lord George Hamilton.	Mr. Christopher Beckett Denison.
Mr. Baxter.	Mr. Fawcett.
Mr. Shaw.	Mr. Mulholland.
Sir Charles Mills.	Mr. Cave.
Mr. Hubbard.	

Mr. *Wilkins* was examined.

Mr. *Robert Giffen* was further examined.

Mr. *Patrick Campbell* and Mr. *Robert Wigram Crawford* were severally examined.

[Adjourned till Thursday next, at One o'clock.

Thursday, 6*th April* 1876.

MEMBERS PRESENT:

Mr. GOSCHEN in the Chair.

Sir Charles Mills.	Mr. Massey.
Lord George Hamilton.	Mr. Fawcett.
Mr. Hermon.	Mr. Christopher Beckett Denison.
Mr. Cave.	Mr. Kirkman Hodgson.
Mr. Shaw.	Mr. Mulholland.

Mr. *Henry Waterfield* was further examined.

Mr. *Gustavus Pietsch*, Mr. *Samuel Seldon*, Mr. *William Robinson*, and Colonel *H. Hyde*, were severally examined.

[Adjourned till Monday, 1st May, at Twelve o'clock.

Monday, 1*st May* 1876.

MEMBERS PRESENT:

Mr. GOSCHEN in the Chair.

Lord George Hamilton.	Mr. Massey.
Mr. Hermon.	Mr. Mulholland.
Mr. Baxter.	Mr. Cave.
Mr. Fawcett.	Sir Charles Mills.
Mr. Hubbard.	Mr. Kirkman Hodgson.

Mr. *J. T. Mackenzie* was examined.

Mr. *Henry Waterfield* was further examined.

Mr. *Ernest Seyd* was examined.

[Adjourned till Monday next, at One o'clock.

Monday, 8th May 1876.

MEMBERS PRESENT:

Mr. GOSCHEN in the Chair.

Mr. Fawcett.	Mr. Cave.
Sir Charles Mills.	Mr. Shaw.
Mr. Massey.	Mr. Hermon.
Lord George Hamilton.	Mr. Kirkman Hodgson.
Mr. Baxter.	Mr. Christopher Beckett Denison.
Mr. Hubbard.	

Mr. *Bagehot* was examined.

Mr. *Pietsch* and Mr. *E. Seyd* were further examined.

Adjourned till Wednesday, 14th June, at Twelve o'clock, to consider Report.

The adjournment was further postponed to Thursday, 29th June, at half-past Twelve o'clock.

Thursday, 29th June 1876.

MEMBERS PRESENT:

Mr. GOSCHEN in the Chair.

Mr. Massey.	Mr. Shaw.
Mr. Baxter.	Mr. Cave.
Mr. Fawcett.	Mr. Hermon.
Lord George Hamilton.	Mr. Christopher Beckett Denison.
Sir Charles Mills.	Mr. Kirkman Hodgson.

DRAFT REPORT, proposed by the Chairman, brought up, and read the first time.

DRAFT REPORT read a second time, paragraph by paragraph, and amended.

[Adjourned till Wednesday next, at One o'clock.

Wednesday, 5th July 1876.

MEMBERS PRESENT:

Mr. GOSCHEN in the Chair.

Mr. Christopher Beckett Denison.	Mr. Cave.
Mr. Massey.	Mr. Fawcett.
Sir Charles Mills.	Mr. Hermon.
Mr. Bxater.	Lord George Hamilton.
Mr. Kirkman Hodgson.	Mr. Mulholland.
Mr. Hubbard.	

DRAFT REPORT further considered, commencing at paragraph 165, *amended, and agreed to.*

Question, That this Draft Report, as amended, be the Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence, and an Appendix.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Monday, 20th March 1876.

MEMBERS PRESENT:

Mr. Baxter.	Mr. Hermon.
Mr. Christopher Beckett Denison.	Mr. Kirkman Hodgson.
Mr. Fawcett.	Mr. Hubbard.
Mr. Goschen.	Mr. Massey.
Lord George Hamilton.	Sir Charles Mills.

THE RIGHT HONOURABLE GEORGE JOACHIM GOSCHEN, IN THE CHAIR.

Mr. HENRY WATERFIELD, called in; and Examined.

Chairman.

1. YOU have prepared some statements in the India Office, I believe?—Some statements have been compiled in the India Office (not all by myself), which I am prepared to put in.

2. Will you read the headings of the statements?—The first statement is one showing the "Total value of merchandise and treasure respectively imported into, and exported from, British India, by sea, from and to foreign countries, and of the sums obtained for bills drawn by the Court of Directors or Secretary of State on the several Governments in India," in each of the last 20 years. The second shows the value of gold and silver respectively imported into, and exported from, British India for the same period. The third statement contains much the same information respecting the imports and exports of gold and silver, but it has been continued back so as to include the last 40 years; and also it includes the particulars for each month

Chairman—continued.

of the current year up to January, the information for which last month we have received by telegram this morning, and which is added in writing. The fourth shows the value of gold and silver coinage in the mints of Calcutta, Madras, and Bombay, for 20 years. The fifth shows the amount of silver received into the mints in India from Government Treasuries and Departments for the last 20 years. The sixth shows the amount of Government currency notes in circulation, the amount of coin and bullion reserve and Government securities held on the 1st January in each year by the Department of Issue of Paper Currency, since the formation of the department in 1862; and the seventh shows the average rate of exchange obtained for bills drawn by the Court of Directors or Secretary of State on the several Governments in India for the last 40 years. (*The Statements were handed in,* vide *Appendix.*)

Mr. *H. Waterfield.*

20 March 1876.

Thursday, 23rd March 1876.

MEMBERS PRESENT:

Mr. Baxter.
Mr. Cave.
Mr. Christopher Beckett Denison.
Mr. Fawcett.
Mr. Goschen.
Lord George Hamilton.
Mr. Hermon.
Mr. Kirkman Hodgson.
Mr. Hubbard.
Mr. Massey.
Sir Charles Mills.
Mr. Mulholland.
Mr. Shaw.

THE RIGHT HONOURABLE GEORGE JOACHIM GOSCHEN, IN THE CHAIR.

Sir HECTOR HAY, called in; and Examined.

Sir *H. Hay.*

23 March 1876.

Chairman.

3. YOU are a partner in a firm of bullion brokers?—Yes; Mocatta & Goldsmid.

4. You have devoted considerable attention, I think, to the question of the statistics connected with the production of silver?—I have.

5. Your inquiries have ranged over a certain number of years?—Yes, over a great many years.

6. Can you state, generally, to the Committee, statistics with regard to the production of silver in various silver-producing countries?—I can. As well as I have been able to collect, I do not pretend to say that these are figures that are nearly exact; but they are the best that can be obtained from the authorities extant, as far as I know.

7. In the first instance, can you state any figures with regard to the aggregate production of silver?—Do you mean annually?

8. The annual production of silver?—I have here an estimate of the annual production of silver since the year 1852, ranging from about 8,000,000*l.* in 1852 to 16,000,000*l.* in 1875, by a gradual increase.

9. The production of silver for the year 1875, I understand you to estimate at 16,000,000*l.*?—£. 16,000,000. sterling.

10. Being double the amount produced in 1852?—Exactly.

11. Can you read to the Committee your figures from the year 1868?—In 1868, I reckon it as 10,045,000*l.*; 1869, 9,500,000*l.*; 1870, 10,315,000*l.*; 1871, 11,510,000*l.*; 1872, 13,050,000*l.*; 1873, 14,050,000*l.*; 1874, 14,300,000*l.*; 1875, 16,100,000*l.*

12. The Committee is to understand that these are not the imports of silver, but that they are your estimate of the production, computed from such statistics as have been at your service?—Yes; I can tell you the chief authorities. There were the Reports of the Director of the United States Mint for 1874–75, as regards the production in America; and also of a considerable part of Europe and South America, because in the year 1874, in his Report, he gives the result of

Chairman—continued.

inquiries made by his department as to the production in various countries, and that has helped me in making an estimate for many of the countries besides the United States. With regard to gold you do not ask any questions, and therefore I need not say anything.

13. Does the production of this amount of silver which you state include the proportion of gold which is found, together with the silver, in many of the mines?—The amount of silver I gave excludes the gold. I have put the production of gold in silver with the gold production.

14. You have made an estimate of your own, as far as you could tell, on that point?—Yes.

15. Would you object to state the estimate you have allowed for it?—I have done it in this way from the United States Mint Director's papers; he gives the names of the States from which a certain amount of dollars was produced. I know, for instance, that California produces gold, and from his Paper I know that one or two other States also produced gold in a greater proportion than silver; I have taken those as gold, although he does not state that it was gold. I have taken the production of California as being all gold, and of Oregon and one or two other territories. With regard to Nevada, where a great deal of silver is produced containing gold, I have taken one-third as being the proportion of gold in it, which I think is the outside.

16. Have you seen an estimate that the Comstock lode contains as large a proportion as 45 per cent.?—I have; that is why I have put it so high as a third, because I know there is a great deal of other silver coming from the same territory, Nevada, which does not hold gold.

17. Just to complete that point; in our silver statistics of the Board of Trade, when it is stated that so much silver has been imported, when that silver comes in bar silver does it contain the gold, or has that been extracted?—A considerable portion of it contains gold, although it is imported as silver.

18. In the public statements as regards the imports of silver, a deduction must be made as regards

Chairman—continued

regards that proportion of gold which is included in the silver?—I believe so; it was so formerly, I know; it was entered as silver; but I know at the Customs now they send to the varous consignees, or the brokers who act for them, and ask what proportion of gold the silver has in it. I do not know that they separate it in their returns.

19. Will you state the chief countries from which silver comes at present?—The United States, of course, is the principal source of supply at the present time, giving in the last few years quite half of the whole production. Mexico and South America, which I have not been able to separate (it would take a longer time than I had to give to it) about one-third. There is a very small amount estimated as from Russia; it varies from 100,000 *l.* to 200,000 *l.* a year; and I have reckoned about 2,000,000 *l.* a year from all other countries put together, including what is produced in England from Spanish lead. A great deal of Spanish lead is smelted here containing silver; and I have calculated that there may be probably 1,000,000 *l.* a year in that way produced in England.

20. Will you state for the same number of years, from 1868, the statistics of the United States alone?—1868, 2,400,000 *l.*; 1869, the same; 1870, 3,200,000 *l.*; 1871, 4,600,000 *l.*; 1872, 5,750,000 *l.*; 1873, 7,150,000 *l.*; 1874, 7,200,000 *l.*; 1875, 9,000,000 *l.*

21. Do you know the accurate figures for 1875 already, or is that an estimate?—That is taken from a review published at San Francisco in January last, and I may say that I have seen another review, from another paper, in which the estimate is very nearly the same; it was an estimate, I think, at 87,000,000 of dollars; that was the total amount of gold and silver supposed to be produced in the United States and in part of Mexico.

22. Up to 1874 there are official statistics, I understand?—Up to 1874 they are taken from Dr. Linderman's Report.

23. Dr. Linderman is the Director of the United States Mint?—Yes.

24. Can you give us the same statistics for South America and Mexico?—I can give you figures, but they are not by any means so much to be depended upon as the others, because there are, as far as I know, no official statements of the amount; I have put them down here, beginning with five and a-half millions in 1868, and slightly decreasing to five millions in 1875; there is very little difference; I have been obliged to take that as an average; I include in the figures I have given South America; I do not think, as far as I can judge, that there is so much as I have said, five and a-half millions, from Mexico alone; I have included Peru and Chili, which are the principal other places.

25. With regard to the statistics of the Director of the Mint, these are his estimates, are they not?—As regards the United States, yes.

26. It is not possible to rely absolutely, I presume, even upon those figures?—No, I think not; because, if I may express an opinion, I believe that the production of silver is considerably exaggerated.

27. Can you give the Committee figures, if you have them at hand, with regard to the importation of silver from the United States into Europe, and from California to China?—I am not in a position to give that, because I have not had time to finish it; I can tell you one thing, the exportations from San Francisco to China in the year 1874 were estimated at something under five millions of trade dollars, and in 1875 about seven millions of dollars; that is to say, 1,500,000 *l.* sterling.

Chairman—continued.

28. With regard to the imports into Europe from the United States, you are not prepared to give evidence?—I am not; I have not completed my examination of it.

29. Can you state roughly whether the increase in the production of silver in the United States has yet shown itself in largely increased importations into Europe?—I think not.

30. Can you give us any further statistics upon the production of silver?—No, I think not; I think I have told you all that I can on the subject of the production.

31. Are there any remarks upon the silver market that strike you as bearing upon our inquiry, that you would be prepared to make?—You do not want me to go into any theory on the matter, of course.

32. No; as regards the facts?—The only other thing I should wish to do is, to put in this Statement which I have drawn up, of the estimated production of gold and silver, also the shipments of silver to India and China from England and from the Mediterranean; that is to say, from France, and sometimes from Austria (of course on English account to a great extent, showing the total shipments of silver to India and China, and the average price of silver from the year 1852 to 1875. (*The same was put in,* vide *Appendix.*) Those figures of the shipments to India and China are not mine; they are figures which will probably be given you by other witnesses, which I do not claim to have anything to do with except copying them out; I put it for the purpose of comparing with the production.

33. Have you got any information on the point of the degree to which the Mexican mines can be profitably worked with the present extraordinary fall in silver?—No information that can be depended upon; it is impossible to get that, I think.

34. Have the shipments from Mexico fallen off in consequence of the gradual fall in the price of silver?—They have not hitherto. They have been falling off slightly, but I think that was before the price of silver went so low. I do not think it will affect them much, unless silver were to go very much lower than it is, because they must send their dollars, as it is their chief means of remittance.

Sir *Charles Mills.*

35. With regard to Dr. Linderman's estimate of the production, it differs very much, I am told, from the returns of the Mint of what is minted there?—That simply represents the difference between production and coinage. His estimate of production is quite different from what goes to the Mint, because all the silver or gold does not necessarily go to the Mint.

36. This is silver?—It does not necessarily go to the Mint; in fact, the great proportion does not.

37. It is exported, how; in dust, or what?—It is melted into bars. After the silver is

Sir *H. Hay.*

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Sir *Charles Mills*—continued.

smelted from the ore, it is melted into bars at the works of the mines, and exported direct to New York, or shipped off to somewhere else. It mostly comes to us by way of New York.

38. Of that there is no record, of course?—It is only in estimates that are framed on the spot, of the amount of silver forwarded by the American Express Company. I forget the exact name of the Company.

Chairman.

39. I have understood that there are, in fact, three different sources of information with regard to the production of silver in the United States, namely, the Report of the Director of the Mint, Dr. Linderman, the Report of the Mining Commissioner, and the Report of the Express Company, to which you alluded?—Yes.

40. Have you at all compared them?—I have not seen the Mining Commissioner's Report, and therefore I have not been able to do that; but with regard to Dr. Linderman and the Express Company, they appear to agree very fairly.

41. I presume you could only give the most general view to the Committee as to the probability of an increase in the production of silver?—Quite so.

42. It would be entirely speculative?—Quite so; an estimate of that kind must necessarily be so. For instance, with regard to the Consolidated Virginia Mine, which was said last year to have produced 17,000,000 of dollars, and divided 12,000,000 among its shareholders, which would show an enormous production beyond its cost, it may be true. I do not say that it is not, though I have an opinion of my own; but it does not by any means follow that they will produce anything like that quantity this year. On the other hand, some mines which did very little last year, may produce a quantity this.

43. The other large mine, the California, has not begun to produce yet, has it?—Not yet. They anticipate very large returns from it.

Mr. *Mulholland.*

44. Are the mines in Mexico worked by private enterprise, or by Government?—I am scarcely able to answer that question. I have no doubt, to a great extent, by private enterprise.

45. Are there any English companies, or any reports published of the result of their working?—There are some English companies, but I do not suppose they publish any returns. The Mexican Mint Company was one.

46. There were some mines worked by Government in Mexico at one time?—I have no doubt; it is probable there are now.

Mr. *Fawcett.*

47. You said just now that you thought the estimates of the production of silver in the United States were very much exaggerated, but then you said that the estimates given by the Express Company and the Director of the Mint very much tallied; therefore, why do you think they are exaggerated?—The reason I think so is, that the silver has not made its appearance in the market, as far as I can learn.

48. Is it not, from the nature of the case, on two considerations, very likely that the silver

Mr. *Fawcett*—continued.

may be produced, and not make its appearance in the market at present; it may be hoarded and you cannot trace it, because, for instance, the mere statement of the exports from California to China would not show, by any means, the quantity of silver that was taken from California to China; private individuals might take great quantities themselves, might not they?—I think not. I think it would all go, either by way of shipment from San Francisco or by the American Express Company, to New York and other places.

49. With the love of concealment of the Chinese, would it necessarily be ascertained; suppose a Chinese labourer (and there are a great many of them in the United States) were to put his savings into silver, and take them with him, would it necessarily follow that the amount he had with him would be ascertained?—Certainly not. I do not think it would.

50. Is it not possible to conceive that, knowing the love of the Chinese to put their wealth into bullion, a considerable quantity is taken in that way?—I think not anything to make it worth while to notice when you are speaking of 16,000,000*l.* You asked me why I concluded that the amount was exaggerated. I have given the reason; because it does not appear in the market; but you say, May it not be held back? That is a most improbable supposition, because when people raise silver they try to realise it as soon as they possibly can, as a rule. They do not want to keep it without interest.

Sir *Charles Mills.*

51. How do you arrive at the one million produced from Spanish lead; is that a mere estimate?—Only an estimate, of course. I judge of the quantity I see actually passing by my own eyes, and I estimate what other people must see in the same way; of course I cannot go to others and ask them what it is; but I think I am not very far wrong in that, knowing what I do of my own knowledge.

Mr. *Baxter.*

52. Is the very large increase in the produce of the mines of California not affecting the production of Mexico and South America?—Not at all, I think.

Mr. *Mulholland.*

53. I see by your figures that the actual increase in 1868 has been in the United States, the whole of the rest has been a constant quantity?—I think I mentioned that I was obliged to estimate the production of other countries at an average.

Chairman.

54. Can you give us any information to-day with regard to the sales of bullion and the amounts of bullion in Europe?—As to amounts sent from England to the Continent, do you mean?

55. Yes; can you state what amount of silver is supposed already to have been sold by the German Government?—I can tell you, from a Government document, that up to the end of 1875 about six and a-half millions sterling had been sold. I have not seen that document myself,

Chairman—continued.

self, but I have had it from very good authority; I saw an official document up to the 2nd of October, in which the amount then sold was four-and three-quarters millions up to September 1875. I think it is very likely that an amount making it up to six and a-half millions had been sold up to the end of the year.

56. Is that likely to be a maximum amount?—Up to October it was an actual amount. The amount of old coin converted into bars and disposed of was 1,194,943 lbs., which I have estimated as being 4,750,000 *l.*; that was up to the 2nd of October 1875.

57. Can you state in what direction that silver must be supposed to have gone?—The chief part of it went to India.

58. In what years do you consider it has been sold?—1873, 1874, and 1875.

59. Has a considerable portion of it gone to Spain, do you think?—I do not think direct, certainly.

60. Spain has been taking some silver?—Last year and the year before it took some silver, but I am not in a position to say how much.

61. With regard to the 10,000,000 *l.* of silver which were paid by the French Government to the German Government as an indemnity, do you know what has become of that silver?—It has all returned to France, of course, because as soon as the German Government had demonetised the silver, they had to sell their silver. The best way to get rid of that was to send it to the country where it was current; therefore it went back to France. I believe every five-franc piece was sent back.

62. Was the larger part of the 10,000,000 *l.*, which I believe was paid in silver to the German Government, paid in silver coin or in bar silver?—I do not know; probably in silver coin, I should think.

63. Would your remark as regards the silver coming back to France apply also to bar silver, if it had been sent?—No.

64. You do not think that any portion of the French indemnity paid to Germany has come upon the silver market in addition to the silver which the German Government have sold in consequence of their demonetisation arrangements?—I will not say none; but, I should think, very little.

65. We need not consider it as an important cause of the depreciation of silver?—No, certainly not; in fact, the whole of the silver that the Germans have sold is not a sufficient cause of the depreciation of silver; it has been really the cause, but a very unnecessary cause.

66. Whatever may be the prospect of the silver still to be sold by Germany, you do not think that the actual amount of silver thrown on the markets by Germany has told for much yet in the fall of silver?—I think it has told a very great deal, although the amount was not as much as should have depreciated silver in anything like the degree it has been depreciated; it has had the effect of doing it without rhyme or reason, simply from the panic that was created three or four years ago in the minds of all buyers of silver, by the announcement that Germany would demonetise silver. The impression then was that there would be a very large sum, 60 or 70 millions, of silver to be demonetised; the fact being that in three years they have disposed of really only 6,000,000 *l.*

Chairman—continued.

67. You gave us the actual figures up to the 2nd October of the German Government, will you repeat them to us?—The amount of old coin converted into bars and disposed of up to the 2nd October 1875 was 1,194,943 lbs., which I have estimated at 4,750,000 *l.* sterling.

68. Up to the present date, you put it at what?—Up to the 31st December 1875, at six and a half millions.

69. So that between the 2nd October and the end of the year there is a difference of 1,800,000 *l.*?—Yes.

70. That was thrown on the market in the course of three months?—Yes, so I should infer.

71. Would not that be an important element affecting the silver market?—If it had been imported here or to India, yes. I am led to believe that a great portion of it went to Russia; I do not know it of my own knowledge, but that is what I am told, that large amounts of silver went to Russia.

72. Have you examined this point, whether in taking together the exports of silver from England and from Germany, *viâ* Brindisi, to the East, they would together account for the whole of the German silver that has been sold?—It is impossible to say that, because I have not the places from which the silver was sent to be shipped; all that we can get is the reports from the Messageries, and from the Peninsular and Oriental Company, as to the amount they carried.

73. Are there any means that you know of by which we can find out what silver went from Berlin to Russia?—I do not think I could ascertain that.

74. It has not been published in any form?—Not that I know of.

Mr. *Fawcett.*

75. I understood you to say that the depreciation in the value of silver had been to a great extent due to what you described as a panic among the buyers of silver, and you indicated the nature of that panic by saying that they greatly over-estimated the amount of silver which would be demonetised in Germany?—Just so.

76. Do you think if they had known what the exact quantity would have been, and supposing also that at the time they could have foreseen the great increase in the production of silver in the United States, the depreciation in the value of the silver would be less than it has been?—I think so.

77. But the buyers of silver are very shrewd business men; it is their business to consider all these things, and they have now for some time found out what the actual demonetisation is, and a panic does not continue for two or three years?—They have not exactly found out what it is, because there is a great question now as to what amount Germany has still to demonetise; some people say that she has still 30 millions sterling.

78. But, after all, from the figures which you have given, the effect, whether little or great, that has been produced by the demonetisation in Germany is small compared with the effect which must be produced on the price of silver from the increased production of the United States?—I do not look at it so; I consider that the increased production of the United States, even

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Mr. *Fawcett*—continued.

even if it is correct, would not have depreciated silver to the degree to which it has depreciated in the last three years, especially in the last three months; it is the fear of the quantity of German silver which has had the principal effect.

79. After all, what depreciates the value of an article is the increase in its quantity, if the demand does not at the same time increase in a corresponding proportion?—The demand has fallen off simply because people are afraid too much will be thrown on the market at once.

80. In estimating the two causes of depreciation, the ultimate and permanent cause in the depreciation in the value of silver must be its quantity, and as the increase in the quantity is much larger from the United States than anything that may be brought about by the demonetisation of silver in Germany, the most potent cause of the depreciation must be the increase of the supply in the United States?—Theoretically, it would be so; but in reality it is not so, because the depreciation of silver commenced before these very large productions which are spoken of in America. The moment there was a question of demonetisation in Germany, silver began to fall in what I should call an unreasonable degree.

81. That comes to the same thing, does it not; it does not conflict with theory, because the mere fact of a country demonetising not only shows that she will have silver to sell, but what also happens is this, that a country which has before been a buyer ceases to be a buyer, and becomes a seller?—Just so.

82. Therefore, directly Germany demonetised silver, not only had she a certain quantity to sell, but another cause of depreciation was that the source of absorption was, as it were, closed?—Yes.

Mr. *Kirkman Hodgson.*

83. Have you been able to form any estimate as to the value of silver used in the manufacture of articles of luxury?—It is a very difficult question. I have been trying to find out something about that. I can give you some kind of estimate; it is a mere estimate, and I do not say much for the correctness of it. I should imagine that there is at least 2,000,000*l.* sterling of silver goes from London to the manufacturing districts, and to Clerkenwell, and other places, for the purpose of being converted into articles of ornament or use in manufactures in Manchester or Birmingham.

84. According to your calculation, the whole of the silver sent to India and China from Germany is about 6,000,000*l.*?—I do not think so much as that has gone from Germany to India.

85. That would not be sufficient to account for the panic alone; for the great depreciation?—Not by any means. I just made the remark that the amount sent by Germany is an absurd cause.

86. Do you remember how much silver was absorbed by India in the Cotton Famine?—Yes; the figures are on the Paper which I have handed in.

87. It began in 1861, and went on, more or less, till 1864?—In 1862 and 1863, there were 14 or 15 millions, and in 1864, 16 millions sterling, nearly 17, sent to India from England and the Mediterranean, that is from Marseilles.

Mr. *Kirkman Hodgson*—continued.

88. Was that all silver, or some gold?—Silver only. There is very little gold. It is not worth taking notice of it.

89. That produced no effect at all on the price?—On the contrary, at that time the price of silver was 61½, 61⅜; in 1863, 61½; and in 1864, 61⅜.

90. Do you remember whether silver was, in France, at a premium of about four per cent.?—I cannot say as to that. Of course it was at a premium.

91. When the Bank of France took some gold from us and gave us silver instead?—Yes; and very large amounts were taken from France for India.

Mr. *Shaw.*

92. Have you formed any estimate of the proportions in which silver is absorbed; you told us how it was produced by the different countries?—India is the principal place of absorption, of course.

93. But you have no Tables showing how it is distributed?—No; that, I think, is almost impossible to ascertain, because the Customs returns are not to be depended upon at all as to the exports of gold and silver.

94. Why are they not to be depended upon?—Because I do not think the returns of the Customs are looked upon as being of the slightest consequence, and amounts are put in as gold or silver, as the case may be, without its really being the exact thing that is stated.

95. Is that for imports or for exports?—Exports.

96. Would the same remark apply to imports?—In both cases. I think I said before, that the imports really are nothing to go by at all. In the question which the Committee has to discuss, it seems to me that the production is the great point, and we can only go by the estimates made of the production in the different countries from which silver comes.

97. That must be only approximate?—Another reason why the exports and imports of silver are not of much consequence is that the same amount of silver perhaps figures three or four times in the Returns. It is imported here. It is sold and goes to France. It is exported. By and by a turn of the exchange comes. It comes back here, and then goes to India, so that the Customs returns show little or nothing as to the quantity of silver and gold that is being used.

98. Would not the same thing apply to confuse all statistics?—I quite agree with you, and I do not think statistics are worth anything, as far as that goes.

99. Your estimates must be approximate?—Entirely.

100. There are many disturbing causes which may come in?—The only thing that I think we can get with anything like certainty is the production. If we could ascertain exactly how much silver and gold was produced, that really is the only thing that is of consequence, because the number of times that any particular parcel of silver or gold passes from one country to another is not of the slightest consequence.

101. Is it easy to get those statistics about the production?—It is not exactly easy, because you are obliged to estimate, in some cases, entirely from quantities that you know have been imported from a country. With regard to the United States, that is supposed to be correctly estimated by the Director of the Mint, who

Mr. *Shaw*—continued.

who ought to have the best means of ascertaining. With regard to the production of gold, there is no question about the correctness of that in Australia, because the Returns are most correct for some considerable number of years past; in the first few years they were not, but now I think they are perfect.

102. Is it not very difficult to get correct statistics about South America, for instance?—Very difficult indeed.

103. Have you formed any estimate as to the quantity of silver required to maintain the currency in the different countries where silver is used?—Taking silver by itself, I cannot say I have; taking silver and gold together, I have formed an estimate, but that will not answer your question.

104. When did this depreciation commence?—The first inclination to show a very decided depreciation was in 1872, but there was not much then. In 1873 there was nearly 2 per cent., in 1874 there was as much more, in 1875 there was 4 per cent., and in 1876, as far as it has gone, there is another 4 per cent.

Mr. *Fawcett.*

105. How much is the fall this year from the beginning of the year?—The average price of the year 1875 was $56\frac{3}{4}d.$ It was lower than that at the end of December, though I have not the figures before me, probably somewhere about $55\frac{1}{2}$ to 56. Yesterday silver was sold at $52\frac{1}{2}$, that is 8 per cent.

106. The most rapid depreciation has taken place in the last three months?—Yes.

Mr. *Shaw.*

107. Can you account for that in the last three months specially?—It was not from any enormous quantity of silver offering in the market, but from the continued fall in the Indian exchanges.

108. And the general depression of trade?—The general depression of trade was in the first instance the cause of the Indian exchanges being low, and then the large amounts of Council bills, competing with silver, aggravated the depression, every fall in the one to meet the market causing a further fall in the other, until at last the India Council could not place their bills at the minimum rate.

Mr. *Shaw*—continued.

109. Except for the last three months, there would not be anything very alarming in it?—No, I think not. At the end of last year I do not think it was particularly alarming.

110. Do not you think the thing would right itself if let alone?—If things remain as they are, I think it will right itself in time; that is to say, if the demonetisation of silver is not carried out or attempted by France. I do not think it would matter that Germany has demonetised silver. In the course of a few years silver would recover its value, and things would go on in the old course, but if France were to do so, silver might go to half-a-crown an ounce.

Mr. *Hermon.*

111. I have seen it stated that the depreciation of silver has been equal to 14 per cent. since the middle of December; I suppose that is not the case?—No.

Chairman.

112. It is 14 per cent. from its highest point?—Yes.

Sir *Charles Mills.*

113. There has been a recovery?—There was a recovery of 3 per cent. about ten days ago, and that has been lost this week.

Mr. *Kirkman Hodgson.*

114. The present price is the lowest you remember?—Yes; there was a little business done, I believe, at the same price as yesterday's price, about a month ago. Then there was a recovery, and now it has gone back again.

Mr. *Hermon.*

115. Were yesterday's sales the lowest you had quoted in the market?—There was business done once. I do not know that it was quoted, but business was done at that $52\frac{1}{2}$.

116. That is the lowest price?—The lowest price that has ever been seen.

Mr. Stewart Pixley, called in; and Examined.

Chairman.

117. You are a Bullion Broker?—Yes.

118. Of the firm of Pixley & Abell?—Yes.

119. You have prepared some Tables, I think; you have a Table showing the monthly fluctuations in the price of bar silver per ounce from January 1833 to December 1875?—Yes.

120. Will you put that in?—Yes. (*The same was put in,* vide *Appendix.*)

121. In your Circulars you state the export from Southampton to India, China, and the Straits?—Yes.

122. Where did you get those statistics from?—The actual making-up of the Peninsular and Oriental Company's books; the weekly total.

123. Those are free from any objections as regards the making-up of the Customs returns?—Yes, quite so.

124. These are independent of those?—Yes.

125. This is merely the export of silver from Southampton to India, China, and the Straits?—Yes. (*The same was put in,* vide *Appendix.*)

Chairman—continued.

126. Can you put in any Paper as regards the exports by other means?—Yes; amongst the Papers I have given you, the last year, 1875, will give you the most reliable data that can be had.

127. You have two half-yearly statements; the statements of the import of bullion into London?—Yes.

128. The imports during the corresponding period of 1874; the statement of the export of bullion from London and the exports during the corresponding year before?—Yes.

129. That statement shows the countries from which, and to which, the export has taken place?—Yes.

130. You do not state there through what channels it has gone?—No; that is only from England.

131. How have you made this up?—From a daily record, as near as one can possibly get it, kept in my office.

132. They

Mr. *S. Pixley.*

23 March 1876.

Chairman—continued.

132. They are your own figures?—Yes.

133. Have you ever compared them with the official figures?—The Custom House?

134. Yes?—Mr. Seldon, the head of that department, comes frequently up to compare his with ours. We have been, I think, able to give him some good information. (*The same was put in*, vide *Appendix.*)

135. Did you hear the evidence of Sir Hector Hay?—Yes.

136. Can you give any information with regard to the production of silver in the United States and Mexico, or South America?—I am rather inclined to think that Sir Hector somewhat understated it; I should be inclined to put the annual average production, now that the Comstock and these new mines produce, at about two millions more, I should say about 18 millions per annum.

137. Do you agree with his figure as regards Mexico and South America?—Yes, very nearly.

138. Will you give your own figures?—Mexico and South America would be the same as his. Germany produced, I should think, at the rate of half a million, and China a considerable quantity of Syce silver; an amount, I suppose, we shall never accurately know for some time. I should put America and Mexico at about 12 millions, and other countries about four millions.

139. Can you tell us anything with regard to any additional imports of silver into the United Kingdom from America during the last year or two; has there been a pressure on the market from these new discoveries of silver?—Not to any considerable amount yet.

140. That is a cause of which the operation has still to be felt if the production continues?—Yes, a great quantity of that having gone from San Francisco to China direct.

141. Have you any figures you could give us with regard to that?—I have ascertained from Customs lists at San Francisco, that the shipments of silver from that port by mail steamers for the year 1875 amounted to about 1,530,000 *l.*; this does not include the large sums taken by other vessels privately, and of which no record is made.

142. With regard to the operations of Germany, I think you are prepared to give some evidence?—The most reliable information I can get are on these three half-sheets of paper.

143. These are official statements presented to the Reichstag?—Yes.

144. Are these, as it were, from Gazettes?—From the Government papers.

145. Will you read them to the Committee?—"Statistics of old German silver coins coined by the separate States of Germany up to the end of 1873, less such amounts as have been withdrawn from circulation up to the same period at which such coinages finally ceased, in order to make room for the new Imperial coinage. As per official statements presented to the Reichstag (German Parliament) on 18th March 1873 and 4th April 1874. These statements, made out in thalers, are calculated here, for simplicity's sake, in round numbers, at exchange of $6\frac{2}{3}$ thalers per £."

146. That is 3 *s.* a thaler?—Yes.

Chairman—continued.

	£.
"Thalers - - - -	74,400,000
Florins - - - -	10,200,000
Hanse Towns currency -	1,200,000
	85,800,000
Small coin of low metallic value -	4,100,000
	89,900,000
Say -	£. 90,000,000"

147. Let the Committee understand that clearly; that is the coinage of Germany supposed to be in circulation?—Yes.

148. Coined previously to the great monetary changes that have been made?—Entirely.

149. Those are, as it were, the collected statistics of the aggregate amount coined over a given period by the various Governments?—Yes.

150. A portion of it in thalers and a portion in guilders or florins?—Yes.

Mr. *Hubbard.*

151. Is that in silver or gold, or both?—In silver only.

Chairman.

152. Can you tell the Committee from what date it commences?—No.

153. It is supposed to be the aggregate?—Yes.

154. And the total is 90,000,000 *l.* of silver?—In round numbers, 90,000,000 *l.* sterling.

Mr. *Kirkman Hodgson.*

155. That was in 1873?—To March 1874.

Chairman.

156. It was coined up to the end of March 1873, but presented to Parliament on the 24th March 1874?—Yes. Then I have another statement:—

"Amount of old German silver coins retired from circulation up to the end of 1875, as per official statements published in the German newspapers of the period, and circulated here, in round numbers, at exchange of 20 marks per £.

"Reichsmarks 366,497,733=18,300,000 *l.*

"New German silver coins coined up to the end of 1875, as per above Statements, and calculated in similar manner.

"Reichsmarks 164,240,371=8,200,000 *l.*"

157. Will you explain what is that 18,000,000 *l.*?—The amount of the old German silver coin retired from circulation.

Sir *Charles Mills.*

158. Which must be deducted from the 90,000,000 *l.*?—No; I expect it is included in that. They have recoined up, to the end of 1875, 8,200,000 *l.* Then there is this Statement:—

"Amount of old German silver coins converted into bars and sold, as per official statement, presented to the Reichstag, under date of 30th November 1875.

"The old coins retired up to the end of September 1875, and consisting mostly of old thalers, florins, and small

Chairman—continued.

small coins, produced 1,194,944 lbs. of fine bars which have been almost entirely realised as follows:—

Lbs.		*Marks.*
696,194	of which account sales had been received, amounting to (or about *M.* 87 per lb. loss of interest not deducted.)	60,621,090
498,750	which had not yet been accounted for, but which were expected to give a much less favourable result, say, perhaps, *M.* 80 per lb., or -	39,900,000
	Total sales up to end of September 1875	*M.* 100,521,090
	Say - - -	£. 5,000,000
	Sales from end of September 1875 to March 1876; no returns published as yet, but presumably - -	500,000
	Say - -	£. 6 or 7,000,000

Chairman.

159. A mark is a shilling, as near as possible?—Yes.

160. You agree, on the whole, with the figures given by Sir Hector Hay, who said that up to the end of the year about 6 millions had been sold?—Well, I should be inclined to put it a little nearer to seven millions. A great deal that we have no record of has gone to Spain.

161. According to your statements, would this be a correct view; 18 millions has been drawn in and retired?—Yes.

162. Eight millions has been re-coined?—Yes.

163. That would leave 10 millions on hand for the German Government?—Yes.

164. Of that 14 millions you can trace the sale of seven millions at present?—Yes.

165. So that of the coin retired they must have about three millions on hand, if those figures are fairly correct?—Yes.

Mr. *Kirkman Hodgson.*

166. Or gone somewhere, that you cannot trace it?—Or gone somewhere, that we cannot trace it.

Chairman.

167. Can you tell us anything with regard to what has become of the silver sold by Germany?—In 1874, during January and February, December 1875 and January 1876, there were sold in London 800,000 *l.* sterling; 150,000 *l.* of that went to Spain, the rest went to India. The German Government shipped themselves to India, through what means I do not know, 1,952,000 *l.* from October 1873 to April 1874. Since that time they have sold a great deal more. My own firm have sold considerable quantities for them since.

168. For India?—For India.

169. Do you know of any sales for Russia?—No, I do not.

170. If they were made they would be made in Berlin?—Yes; they would not come through here at all. Considerable amounts were taken for Spain, and they did come here.

171. What has Spain taken during the last three or four years?—I think I should be inclined to put it at close upon two millions sterling.

172. Is that an extra demand that there has been in Spain, or is it an ordinary demand?—An extra demand, I should say.

Chairman—continued.

173. That figure of two millions exceeds the ordinary export of silver to Spain?—Yes.

174. Do you know the causes at all?—I do not.

Mr. *Kirkman Hodgson.*

175. The war, I should think?—Very likely.

Chairman.

176. It has been an exceptional circumstance?—Yes.

177. Would it be fair to put against the seven millions sold by the German Government the two millions that have gone to Spain?—Yes.

178. So that to that extent one exceptional circumstance has been balanced by another exceptional circumstance?—To that extent.

179. Would you be able to ascertain what has been done as regards Russia, or would that be difficult?—I think it would be very difficult. The amounts that have been shipped to Russia from here will appear in the Table I have put in.

180. Have they been larger than usual?—Yes, they have been rather large.

Mr. *Fawcett.*

181. You have given us some very interesting statistics about the German silver coinage; have you made any estimate, or could you give us any estimate, of the amount of silver which Germany annually requires to keep up her silver coinage before she began demonetising it?—No.

182. I suppose you could ascertain the aggregate amount of silver coinage; there is some approximate estimate in a certain per-centage which represents the renewal of the coinage, is not there?—Yes.

183. Suppose a country has 10 millions of silver in circulation, it requires a certain amount to keep up that 10 millions?—Yes; but I think it would vary very much in different countries.

184. Of course with a large silver coinage like the German before it was demonetised, it would represent a considerable amount of silver which Germany required to keep up her silver coinage?—Yes.

185. In considering the effect which the demonetising of silver in Germany has upon the future price and value of silver, you have not only got to consider the amount of silver which would be thrown in the market, but you have also to consider the source of absorption, which may be estimated at one or two millions a year, or whatever the amount is which was previously required to keep up that silver coinage, that source of absorption would be stopped?—Yes, if they had entirely demonetised.

186. It is perfectly certain now that silver, although its use may not be entirely given up in Germany, will be less used for coinage purposes in Germany than before?—I think so as regards North Germany, not in the South.

187. Therefore, considering these increased productions of silver in the United States, leaving out of consideration for the moment the silver which Germany had to sell, we have got to face this fact, that you have an increased production, while at the same time one source of absorption, namely, the amount which was required by Germany to keep up its silver coinage, is to a great extent closed?—Certainly as regards the North.

188. Therefore, you have got, as it were, a

Mr. S. Pixley.

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Mr. *Fawcett*—continued.

double process acting on the depreciation of silver at the present moment, an increased supply and the cessation of one source of demand?—Yes, certainly, as regards the per-centage required.

189. Germany is using less silver for coinage purposes, and France has been using as much as usual?—Lately, because they are on a paper basis.

190. At the present time, has there been any country increasing her silver coinage to make up for this diminution in the silver coinage?—I do not think so.

Chairman.

191. Have you given your attention to the point?—Yes; that is brought very prominently before us in the course of our business every day.

Mr. *Fawcett.*

192. Therefore, as far as it is not required for coinage, there is nothing to neutralise or counteract this increase in the demand for silver consequent upon silver being less used than formerly in North Germany for coinage?—No, I do not think there is.

Chairman.

193. With regard to America, have not the Americans been increasing their coinage?—Yes, very much; and they have intercepted very considerable amounts at New York, which would have come here.

Mr. *Kirkman Hodgson.*

194. I believe in these new mines, the Sierra Nevada mines, one-half of what is taken from them is gold?—Forty-five per cent. of the Comstock lode production is gold, but in the White Pine District there is no gold in the silver.

195. The White Pine is not giving out so much as the Comstock?—No. I should like to make one statement with reference to the bars of silver as they arrive here from New York. It is very easy to divide the quantity of gold and silver in a shipment, because the bars bear the assayer's mark of the dollar value of the gold and silver in each bar, so that, comparatively speaking, we get at that very accurately.

196. I believe the report of the Consolidated Virginia Mine showed that 16 millions of dollars of bullion had been taken from it, and it was stated that about 60 or 55 per cent. of that was silver, and that the other 45 per cent. was gold?—Yes.

197. Have you formed any idea of the amount of silver which is used in this country for other purposes than that of currency?—No, I cannot tell at all.

198. Your own sales to the manufacturing districts will not tell you?—Our own sales are very large at times to the watch-case makers and silversmiths; but we cannot form a conception of it.

199. Well, will your books show you the sales?—No; only as regards our own business.

200. If we get the business of all of you, we should arrive at what we wanted to a certain degree?—You would have to get the refiners as well; I could send the Committee the average for some few years past of our sales.

201. Could not that be found by the dealings of your house, Messrs. Mocatta & Goldsmid, Sharps & Wilkins, Browns, and Johnsons; I should think those five or six houses might be able to give us an idea of the amount sold to Birmingham and Sheffield?—Yes, it would give you a very good idea indeed.

Mr. *Kirkman Hodgson*—continued.

Chairman.

202. Do you think you could undertake to get it for us?—I will ask them; I do not know whether they will give it to me, there might be a little jealousy; I will give you our own with pleasure.

Mr. *Shaw.*

203. Do you think the change in the coinage of Germany is the chief cause of the late depreciation?—No, I do not; not entirely. The depreciation of trade in India is one of the great causes. Take one item alone, the item of cotton. It took six millions sterling less money to move the cotton crop in Bombay only this year than it did last year. The greater part of that would very likely have gone out in silver. The only two articles that have done at all well, I speak under correction of one or two merchants, are tea and coffee: tea from Bengal, and coffee from Ceylon; everything else, flax, jute, rice, silk, and indigo, has been very bad.

204. These causes are likely to be temporary?—Yes.

205. Do you think the change of the coinage of Germany, and the production would not, in themselves, be sufficient?—Not enough by themselves.

206. They would not cause any sudden depreciation like what we have had in the last few months?—I do not think so.

207. It would be a gradual thing, and right itself by degrees?—Yes.

208. By the ordinary laws of supply and demand?—Yes, that is my opinion.

209. Do not you think that the production of the American mines has been greatly exaggerated?—I do not think so; I think very likely the produce of some mines in Mexico may not be so large, because of the price and expense of the different articles used.

210. There are some cases that have been notoriously before the public of wonderful exaggerations of those things; are there any real statistics about the production of those mines?—The annual reports (of which you have had a copy) of the Consolidated Virginia Mine are very reliable indeed. There is another mine in that group, the California, that has not begun to produce yet. The best estimate that can be formed is, that that also will be very large, but we cannot take that into consideration at all.

211. There is no way of getting out facts as there would be with the production of an article that paid duty?—No.

212. It would be more or less, and the more or less might be stated, for purposes very different from what an honest man might state them?—Entirely for stock purposes, and for the purposes of the San Francisco Board.

Mr. *Cave.*

213. I suppose the cost of living at these mines, and the cost of all the materials used, leaves a small margin of profits when the produce is depreciated?—I do not think it is so much so in the Consolidated Virginia Mine. There is a railway right up to the mine, and the consequence is, that labour is had there very much more easily in the event of a strike or disagreement

Mr. *Cave*—continued.

ment; they can get up an enormous number of Chinese. It is a very different thing to the White Pine District, where they are 22 miles from the nearest station, every yard of which has to be done by the stage coach. Mexico, of course, is a different thing; but I believe in these new mines they can get the silver out at about 1 *s.* 6 *d.* an ounce.

Mr. *Hermon.*

214. You seem to account for the depreciation in silver, partly by the great fall in produce from India?—Decidedly, partly.

215. Amongst that you enumerated indigo; is not that somewhat an exception, indigo and turmeric and matters of that description?—Everything, with the exception of the two articles I mentioned, is depreciated in value.

216. You wish to except those two articles?—Yes.

217. I thought you included them?—Bengal tea and Ceylon coffee.

218. In the catalogue of depreciation, you include such things as indigo and turmeric?—Yes; and linseed.

219. Are you sure you are correct there?—Yes, I am told so.

Sir *Charles Mills.*

220. In the return of the estimated production of silver, you have deducted the amount of gold which is found in these veins?—As nearly as we could.

221. You have not taken it into consideration?—Not at all; we do not include gold.

222. Have not the orders for the purchase of silver for Spain been stopped lately?—Yes, for the last six or seven weeks.

223. There have been no purchases made?—No, we have done nothing.

Lord *George Hamilton.*

224. As I gather from your evidence, you do not think that sufficient silver has been thrown into the market recently to account for the present price of silver, but that the present price is partly influenced by the amount, and also by a fear of there being something behind?—Yes; I think, if it could possibly be known what amount the German Government intend to sell, and how they mean to sell it, you would see a very considerable rise in the price of silver. It is the fear hanging over the market that depresses it so.

Chairman.

225. In the Statement you put in you have shown that the total silver coin of Germany was from 89 to 90 millions sterling?—Yes.

226. Would it not be necessary to deduct a very large sum from that for the wear and tear in the coinage, and for such portions of coin as may have been melted down in the course of a number of years in Germany?—Yes; I think it might, but it would be very difficult to find out that per-centage. It varies so very considerably.

227. The estimate of the aggregate amount of silver in circulation in 1873 would be a very much smaller sum than 90 millions, would it not?—Yes, I think it would.

Chairman.—continued.

228. Whatever estimates were made, it would be a smaller one than 90 millions?—Yes.

229. You have not seen any estimate?—No, none.

Mr. *Fawcett.*

230. You expressed an opinion just now that the depreciation in silver was chiefly owing to what you described as a temporary depression in the cotton trade, and you afterwards expressed the opinion that, if it had not been for the misunderstanding about Germany, the thing would right itself, according to the laws of demand and supply. But will not the effect be, that before silver in Mexico, which is one of the chief sources of supply, is produced at 4 *s.* an ounce (that was the cost of producing it, and now according to your evidence you say that new sources of supply have been discovered, so productive that silver is produced at the cost of 1 *s.* 6 *d.* an ounce), the supply of silver must greatly increase, simply from the discovery of these new sources of supply; and by the laws of demand and supply, that must produce a depreciation in its value, independently of any temporary depression in trade, must it not?—Yes, I think I said as regards India, it was partly due to the depression in trade, and the great value in the different prices of things there, but the price I mentioned at which silver can be produced is only in one mine, the Consolidated Virginia.

231. This large increase in the supply, which you say has been rather understated by a preceding witness, must have a great effect, must it not, according to the laws of supply and demand, upon the value of silver generally?—No doubt of it, and it will have when the great supplies of this American mine come on to this market.

232. Therefore, supposing that these statements with regard to increased supplies have not been exaggerated, you would rather say that the depreciation in the value of silver is only beginning to commence?—I do not think we shall ever see silver at anything like the former price, but I should be inclined to look for a rise over the present low prices.

233. Even if these increased supplies come?—Yes.

Chairman.

234. Have the drawings of the Government of India affected the market; of course not during the last month or two, when they did not draw, but I mean during the last year or two?—Yes, when the price of silver has been at all equivalent to the rate at which it could be laid down as compared to the Council draughts, it has militated very much against the orders for silver. It has cut against the demand very much.

235. Then there has been a depression in the Indian trade; an increase in the amount of bills drawn by the Government of India, and that has been coincident with an additional supply thrown on the market by Germany, and with the fear of the additional supplies from America?—Yes.

236. Those four causes together have been in operation?—Yes, they have helped to do it.

Mr. ROBERT GIFFEN, called in; and Examined.

Mr. *R. Giffen.*

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Chairman.

237. YOU are the Sub-editor of the "Economist"?—I am not sub-editor; I am one of the contributors.

238. You are on the staff of the "Economist"?—Yes.

239. You have, I believe, given special attention to the question of the production of silver?—I have given special attention, I may rather say, to the production of gold, and, incidentally, I have had to consider the question of the production of silver.

240. You have prepared Tables with regard to the production of silver and gold?—Yes.

241. Have you examined all the authorities which were at your disposal, in order to prepare those Tables?—I have examined a great many authorities in order to prepare the Tables, especially the official statistics of the Board of Trade, and the official statistics that I could get hold of of other countries.

242. With regard to the production of silver in America, can you give the Committee the result of your investigation; to begin with the South; with regard to Chili, what figures can you give the Committee?—I have got here a statement, printed at Valparaiso, called a "Comparative Summary of the Commercial Statistics of Chili for the Year 1874," which seems to be official.

243. What is the result as to the exports?—Part of that Statement gives the general exports of the mining produce of Chili, from which it appears that the amount of bar silver exported in 1873 was 2,917,225 dollars, and the amount exported in 1874 was 2,992,818 dollars. That would be about 600,000*l.* each year. In addition to that, there seems to be some small amount of silver ore exported, but so inconsiderable that it seems hardly worth while to take notice of it.

244. Then with regard to Mexico?—With regard to Mexico, there was a special report published by the Finance Minister of Mexico on the trade of the year 1873, in which he stated that the exports of silver from Mexico in 1873 were 4,803,000*l.* I have converted the peso at 4*s.* The amount of gold was 188,000*l.* I have observed no other recent official Statement with reference to the production in Mexico except that one. In addition to that, there is a statement as to the United States of Columbia, which is given by Dr. Linderman in the Appendix to his Report for 1873-74. In that Statement the United States Consul at Carthagena, quoting the Report of the Secretary of the National Treasury, gives the gold and silver exports as 2,705,581 dollars, but the gold and silver are not separate; that is one of the defects of the statistics.

245. The larger proportion of that would be gold?—Yes; but some of it, perhaps a sixth, would be silver.

Mr. *Fawcett.*

246. Does that include all outside the United States?—No; that is the silver as to which I could get official statistics of some kind.

247. Then there are other countries that produce something?—Undoubtedly.

Mr. *Kirkman Hodgson.*

248. Nothing very great?—Except Peru not very much, though I have not noticed lately any official statistics for Peru.

249. Must not you take note of this, that in Mexico there is a 5 per cent. export duty on silver, and the consequence is that, in the present state of the country, two-thirds of the silver bars that are exported are smuggled?—To the best of my recollection the Minister takes notice of that in his Statement. The Report was a very special one as to the trade of the country.

Chairman.

250. The figures are these: you take for Chili 600,000*l.* officially stated; for Mexico 4,800,000*l.* officially stated?—The exports, which would probably be about the production of the country.

251. And for the United States of Columbia you take, not any Columbian authority, but the authority of the Director of the Mint?—No; it is a Columbian authority in the Appendix to the Report of the Director of the United States Mint.

252. That is 2,700,000 of gold and silver together?—Yes, 2,700,000 dollars.

253. But there are no means of separating how much is gold and how much silver?—No.

254. Did you hear the estimate given by a previous Witness, which I think was five and a half millions, for Mexico and South America?—Yes, I think that would be about the sum, according to these figures which I have given.

255. Yours would be rather higher?—They are more for that particular year; but it is only the figure of a particular year, or two years, and that is not enough to form an average.

256. Turning to the United States, you prepared a Table in the "Economist" a few weeks ago, giving the silver production of the United States; have you that paper before you?—That estimate is given by Mr. Raymond, the United States Commissioner of Mining Statistics, and is quoted in the Appendix to the Report of the Director of the Mint for 1873-74.

257. Will you read it to the Committee?—From 1849 to 1858, 10,000*l.* a year, that is 100,000*l.* in the 10 years; in 1859, 20,000*l.*; in 1860, 30,000*l.*; in 1861, 400,000*l.*; in 1862, 900,000*l.*; in 1863, 1,700,000*l.*; in 1864, 2,200,000*l.*; in 1865, 2,250,000*l.*; in 1866, 2,000,000*l.*; in 1867, 2,700,000*l.*; in 1868, 2,400,000*l.*; in 1869, 2,400,000*l.*; in 1870, 3,200,000*l.*; in 1871, 4,600,000*l.*; in 1872, 5,750,000*l.*; in 1873, 7,150,000*l.*; in 1874, about 7,000,000*l.*

258. Did you hear one of the previous witnesses put the year 1874 at 9,000,000*l.*?—I did not notice that, but I should think that was perhaps rather exaggerated; I could not make it out to be so much from anything that I observed. I think it was the year 1875 that that refers to. With reference to the year 1875, the Director of the Mint states in the Appendix to his Report for 1874-75, that the amount of the production, in the year ending the 30th of June 1875, the fiscal year in the United States, was 71,946,615 dollars of gold and silver together, and his estimate is that

Chairman—continued.

that 40,000,000 dollars was gold; that would leave about 6,400,000 *l.* for silver, for the year ending 30th of June 1875.

259. You would not put it much higher than seven millions after making the deduction for the production of gold?—So far as any real statement that I have got extends. The annual production at this moment may be more, because the principal mine in the Comstock lode was on fire some time last year, and the production was interrupted.

260. Have you in any way checked these statements of the Director of the Mint with any other sources of information, such as the Express Company?—I have not been able to check them with any other information; the only attempt I made was to check them with the deposits of silver at the United States Mints; but I found that the difference was so great that really the one was no check at all on the other—that probably a great deal of silver did not go to the Mint, and I left that alone.

261. With regard to the shipments from the United States to Europe, have you got any statistics before you?—I have got statistics of the imports of silver from the United States to the United Kingdom less the exports between 1858 and 1874 inclusive, which I have caused to be compiled from the Board of Trade Returns.

262. Will you read them from the year 1865 downwards?—In 1865 the excess of imports was 225,000 *l.*; in 1866, 1,833,000 *l.*; in 1867, 1,472,000 *l.*; in 1868, 1,916,000 *l.*; in 1869, 1,108,000 *l.*; in 1870, 3,365,000 *l.*; in 1871, 5,688,000 *l.*; in 1872, 4,575,000 *l.*; in 1873, 5,990,000 *l.*; in 1874, 3,452,000 *l.*, and in 1875, 3,092,000 *l.*

263. In 1874 and 1875 together there were about six and a half millions, whereas in 1873 there were six millions?—That is so.

264. In round numbers, notwithstanding the great increase in the production of the United States, we imported in 1874 and 1875 only a little more than we had imported in the year 1873?—Yes; I think the explanation may partly be that in 1873 these figures may perhaps include a good deal of silver which came from Mexico, and was re-exported from the United States to this country. I have observed in the Mexican statistics to which I have referred that a considerable part of the exports from Mexico went to the United States. These Mexican statistics which I gave you are for the year 1873; and there was a large export to the United States in that year.

265. Your estimate of the production of silver for 1874 and 1875 was about seven millions sterling in each case?—Yes; these are the figures as to the United States production for those years, which I extract from Dr. Linderman's reports.

266. Of that, in 1874, 3,500,000 *l.* came here, and in 1875, 3,200,000 *l.*, in round numbers?—Yes.

267. Can you give any opinion or facts to the Committee to show what became of the balance?—I find in the report of the Director of the Mint for 1873-74, that in that year there was exported from San Francisco to China 8,697,837 dollars; to Japan, 1,248,346 dollars; and to other countries, 1,408,808 dollars.

268. Have you got any similar figures for 1874-75?—No.

269. Can you tell us anything that has been done as regards the coining of silver in the United States; do you think that the coinage has absorbed any large quantity?—The coinage has, I believe, absorbed a part, because in January last year an Act was approved by the President of the United States for the resumption of specie payments to take place on the 1st January 1879. One part of that Act provided for the issue of silver in place of what is called the fractional currency in the United States; this is the clause: "That the Secretary of the Treasury is hereby authorised and required, as rapidly as practicable, to cause to be coined at the Mints of the United States silver coins of the denominations of 10, 25, and 50 cents of standard value, and to issue them in redemption of an equal number and amount of fractional currency of similar denominations, or at his discretion he may issue such silver coins through the Mints the sub-treasuries, public depositaries, and post offices of the United States; and upon such issue he is hereby authorised and required to redeem an equal amount of such fractional currency until the whole amount of such fractional currency outstanding shall be redeemed."

270. What amount of fractional currency is there in circulation?—The Director of the Mint states, in his report for 1874-75, page 11, that the circulation is from 40 to 45 millions of dollars.

271. That would be what, in sterling?—About eight or nine millions sterling. A report has just been made by the Controller of the Currency, in which he deals with this subject, and he states that the fractional currency outstanding on the 1st of January 1876 was 44,147,000 dollars.

272. Then you read the law that these 44 millions of dollars fractional currency are to be redeemed by silver coinage?—The Secretary to the Treasury is authorised to redeem them.

273. As fast as possible?—As fast as possible.

274. Can you state what is reported to have been done so far in the way of coinage?—The Director of the Mint states that the purchases of silver bullion for this purpose from 14th January to 31st October 1875, have amounted to 9,183,417 dollars.

275. Have you got similar figures for 1874?—The Act was only passed in January 1875.

276. That would account, then, for the absorption of silver to the extent of 1,800,000 *l.*?—Yes, between January and October 1875.

277. That process you presume will go on?—That process is to go on; I believe it has been going on since, but I cannot state any official figure, and perhaps it would be better not to mention any.

278. As far as you have examined the question, will there be an absorption of silver in the United States to the extent ultimately of the 44 millions of dollars for the purpose of redeeming the fractional currency?—I should not like to say to what extent, because the Committee can judge of the data for themselves; but that is the amount of the fractional currency which the silver is to redeem.

279. The past operations would already account for the absorption of a certain proportion of the production of the United States?—Undoubtedly it must have been so. The Director of the Mint gives the amount which he has purchased, and the price at which he has purchased it with the utmost minuteness.

280. You have no indications have you, of the

Mr. *R. Giffen.*

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Chairman—continued.

the time that it will take; they are not bound to coin a certain quantity in a certain time?—I see nothing of that, except that they must be ready by the 1st January 1879, with the resumption of specie payments altogether.

281. Then the operation is to be done in 1876, 1877, and 1878?—Yes, unless there is some change made by legislation meanwhile.

282. Fractional currency are the small denominations below what amount?—Below a dollar, I believe. You will observe the clause in the Act says that the coinage is to consist of the denominations of 10, 25, and 50 cents; and it is to replace paper of the same denominations.

283. To anticipate a question I should put to you by and by, what is the allowance in Germany of the total subsidiary coinage, per head of the population?—It is 10 marks per head for silver, and 2½ marks per head, I believe, for less than silver.

284. Ten marks is 10*s.*?—We may call it 10*s.*; it is about 9*s.* 9½ *d.*

285. Have you made the calculation how the subsidiary coinage of 44 millions of dollars would come out with regard to the population of the United States, per head?—I have made no calculation, but it certainly would not be so much as the allowance for Germany. The population of the United States exceeds 40,000,000, and 44,000,000 dollars would give about a dollar per head; that is only about 4*s.* per head, instead of 10*s.*, which the German people have.

286. The 44,000,000 dollars would not appear to be an excessive estimate of the requirements of the United States?—No, I should think not.

287. Are there any other portions of the report of the Director of the Mint, or of the Controller of the Currency, which you think bear upon the inquiry before us, and which you would wish to quote?—No, there is nothing that I recollect at this moment which I wish to quote. I might give you the statistics with regard to the production in Japan. Perhaps I might read this paragraph, which is taken from a recent number of the "Economist":—

"*The production of Gold and Silver in Japan.*—One of the most difficult questions as to the statistics of gold and silver production has been always the amount of the production in those countries which do not send their produce to the London or other European bullion markets with more or less steadiness. Among those countries is Japan, which is known to be a producer of both gold and silver, though in what quantities has been hitherto unknown. For these reasons we extract the subjoined passage from a report on Japanese mining, which has just been made by Mr. Plunkett to the Foreign Office. The whole mineral production of Japan, it seems, is only valued at 752,819*l.*. of which 398,000*l.* is in coal, and 183,750*l.* in copper; silver and gold only counting together for 130,000*l.*, viz., silver, 79,625*l.*, and gold 51,042*l.* Mr. Plunkett, in remarking specially on gold and silver, also expresses the opinion that, whatever may have been the production in past times, Japan now yields the precious metals only in small quantities. He states:—

Chairman—continued.

"'Japan possesses both gold and silver, although not in large quantities.

"'As has been already stated, the total production for 1874 was calculated at the Mining Department to be 2,600 kwamme (21,666 lbs.) of silver; 100 kwamme (833 lbs.) of gold; a small amount, if it be considered that the official list gives the number of mines producing silver at 346, and those producing gold at 89.

"'The Government possesses silver mines in the Island of Sado, off Niigata; at Ikuno, in Tajima; and at Kosaka, in Rikushiu, all under the direction of foreign engineers. It also works a gold mine at Oogaza, in Ugo, under foreign superintendence.

"'The Sado mines, at least, would not appear to be a very profitable investment, for I learn from a gentleman who has lately returned from a visit to that island that, although in one year 60,000 yen (12,250*l.*) worth of ore was extracted from the mine, 75,000 yen (15,312*l.*) had to be sent from Yeddo in order to meet the working expenses.

"'Indeed, although much is said about the richness of the gold and silver ores of Japan, I do not believe they are at present of much value, and as this report is already growing too long, I will not dilate farther on this part of the subject.

"'The cost of production, in the native manner of working, is estimated—

"'For gold - 2 yen (8*s.* 2*d.*) per me (58⅓ grains).

„ silver 96 yen (19*l.* 12*s.*) per kwamme (8⅓ lbs.).'"

288. The result of that inquiry is, that the production is very small?—So small in Japan that it is hardly worth considering. It is one of the things that have been unknown hitherto. We have not the statistics about these distant countries. That is a statement by our Secretary of Legation there.

289. You put it in rather to dispel the erroneous view that large amounts of silver are coming from Japan?—Yes.

Mr. *Mulholland.*

290. I did not quite catch what you said about the production of silver in the United States in 1875; did you say it was not larger than in 1874?—In the year ending 30th June 1875, the Director of the Mint puts it at 32,000,000 dollars; that is 6,400,000*l.*

Mr. *Fawcett.*

291. Do not you think that the value of gold, and the future supply of gold, must affect the value of silver?—I think I can go into that, because I have gone into the gold statistics so much. I believe the history has been, that silver was really the principal money in use until about 30 years ago. Since then gold has become the money in use to a very large extent, much more than it was; that has been the way in which gold has been used up.

292. Therefore, if the depreciation of gold was to go on, or the supply of gold was to increase, that process would go on?—Unless other causes compensated.

Thursday, 30th March 1876.

MEMBERS PRESENT:

Mr. Baxter.	Lord George Hamilton.
Mr. Cave.	Mr. Hubbard.
Mr. Christopher Beckett Denison.	Sir Charles Mills.
Mr. Fawcett.	Mr. Mulholland.
Mr. Goschen.	Mr. Shaw.

THE RIGHT HONOURABLE GEORGE JOACHIM GOSCHEN, IN THE CHAIR.

Mr. FREDERICK G. WILKINS, called in; and Examined.

Mr. *F. G. Wilkins.*

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Chairman.

293. YOU are a Partner in the Firm of Sharps & Wilkins, bullion brokers?—Yes.

294. Have you collected statistics with regard to the import of silver into this country?—I can give you certain of the amounts received from various countries.

295. Can you give us the imports of silver from the Gulf of Mexico and the west Mexican ports?—Would you like them by the year or the total for the last three years?

296. By the year; 1873, 74, 75?—1873, 2,157,000 *l.*; 1874, 2,152,000 *l.*; and 1875, 1,634,000 *l.*

297. Then from the South Pacific in 1873?—In 1873, 844,000 *l.*

298. In 1874?—1,556,000 *l.*

299. In 1875?—1,569,000 *l.* In all three years a large quantity of this importation came from the Caracoles mines.

300. These amounts are exclusive of the amounts by the Mexican and French Messageries steamers?—Yes.

301. This amount which comes *viâ* St. Nazaire is probably not reported as from Mexico?—No, because it comes by way of St. Nazaire, and they report them in the General Customs List as from France.

302. Will you give the amounts by those steamers?—In 1873 there was 1,169,000 *l.*; in 1874, 700,000 *l.*; in 1875, 1,030,000 *l.* imported.

303. Can you state the imports from New York for the same three years?—In 1873, 5,991,000 *l.*; in 1874, 3,477,000 *l.*; in 1875, 3,181,000 *l.*

304. The total imports from all sources you put at what?—In 1873, 12,980,000 *l.*; in 1874, 12,298,000 *l*; and in 1875, 10,123,000 *l.*

305. So that in 1875 the amount is actually smaller by two millions than in the years 1873 and 1874?—Yes.

306. Have you included the silver which comes round by the Straits of Magellan?—That is under the head of the South Pacific.

307. Which comes to Liverpool, I believe?—Yes.

308. Can you give us any information with regard to the production of the Mexican mines, and whether it is likely to fall to any extent from the low price of silver?—From Mexico we have about 2,500,000 *l.* each year. People say that the heavy fall will cause a very serious stoppage of the Mexican mines; but Mexico produces very rich silver ores, many containing much gold. I do not think that it will; I do not say that no mines will be stopped, but I think only those containing very poor ores will be stopped.

Chairman—continued.

Sir *Charles Mills.*

309. Therefore the production will not fall off very materially?—It depends a good deal on the price of quicksilver. If quicksilver remains at a low price, if Mexicans can get quicksilver at a fair rate, I do not think the mines will fall off very much.

Lord *George Hamilton.*

310. You gave, as a reason, that the ore contains a considerable proportion of gold?—Yes.

Chairman.

311. Can you tell us, with regard to the Spanish demand for silver, what quantities have been exported in the last three years from this country?—This only refers to this country, because large quantities of silver are sent from Paris as well. The Spanish export from here was 376,000 *l.* in 1873, and increased, in 1874, to 1,882,000 *l.*, and in 1875 it was 1,679,000 *l.*, of which 1,290,000 *l.* was sent by one house.

312. Can you fairly rely upon these figures?—I am certain of them.

313. Can you tell us with regard to the export of silver to Russia?—To my knowledge it has not been sent to that country for some long time.

314. Not from this country?—Not from this country.

315. The silver that goes to Russia would go there from Berlin or Hamburg?—From Berlin or Hamburg almost to a certainty.

316. Will you state your opinion as to the present price of silver being maintained within a moderate margin of its present value?—I think silver will certainly maintain about this price. I think we shall not be troubled much by the Californian mines; I believe that there is a contract

Mr. *F. G. Wilkins.*

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Chairman—continued.

on the *tapis* between the large Nevada Mines and the American Government. Of that of course we cannot be certain. We sent telegrams yesterday to America, or our principals did, for silver, and we cannot get an ounce from California this morning at all, even at the increased price.

317. The contract is an alleged contract between the Government and the proprietors of the Nevada Mines?—Yes, it is an alleged contract: I cannot say exactly, but there is some reason for the detention of the silver in California.

318. While that, of course, is an alleged contract, you state, as a fact, that you are unable to buy silver at present in America?—Yes; not even at the increased price.

319. Have you heard that a great deal of silver is being stacked in Californian mines?—I have heard the report.

Mr. *Baxter.*

320. Is that a contract with all the mines in Nevada?—I could not say, as a fact, that there is any such contract; but the American Government will doubtless require a large amount of silver for the redemption of their greenbacks.

Chairman.

321. Can the German Government effect large sales of silver in this country?—I should doubt that very much, for the mere fact that they were offering silver here, would at once depress the price.

322. Is silver being offered by the German Government at present?—No; I wish they could offer it in some way without disturbing the market.

323. Are they selling none at present?—They have not sold for some time.

Mr. *Baxter.*

324. Anywhere?—That I could not tell you for certain. Only about 140,000 *l.* of German Government silver has been sold in London this year.

Chairman.

325. Can you state the amount of the gold that has been sent to Berlin since 1871; will you state the total between 1871 and 1876?—£. 23,986,000 is the exact amount purchased by the German Government.

326. Have you, as bullion brokers, interested for your principals in the price of silver, considered the question whether the fall in price is due in any measure to falling prices, in India, of exports?—We have, of course, thought a great deal about it. That is one of the chief reasons for the fall of silver.

327. Do you consider that one of the chief causes of the fall in silver has been the diminished produce of Indian exports, and the consequent diminished demands for remittances to India?—Yes; two articles of Indian produce must have fallen nearly 4,000,000 *l.* sterling last year, cotton and coffee.

328. That is due to the depression of trade, I believe?—I should think so, and to the very large American cotton crop of this year.

329. Or is it due to smaller crops?—The Indian crop is certainly 200,000 bales smaller than it was last year, and the price has fallen about twopence.

330. Do you include Ceylon in the falling-off?—Certainly.

Sir *Charles Mills.*

331. Have you any figures for the export of silver to Spain for this year, 1876?—Nothing has yet gone to my knowledge.

332. Nothing at all?—Well, I would not answer for the exports from France.

333. But from this country to Spain you gave us 1873, 1874, and 1875; and I want to know whether you have any figures for 1876?—To my certain knowledge nothing has gone; but there is no question whatever but that Spain will shortly be in the market again; and that will be another support to silver.

Lord *George Hamilton.*

334. You state, I think, that the import of silver for 1875 was 2,000,000 *l.* less than that of the preceding year, 1874?—That is so. Of course, it is almost impossible to judge, in these large sums, to 200,000 *l.* or 300,000 *l.*

Chairman.

335. You have to deal with the fact that silver has fallen, though you state that 2,000,000 *l.* less have been imported?—I think the great fall in silver has been caused greatly by panic. The orders we receive for silver now are spasmodic, and there is not now the same general and steady demand as in years past.

Lord *George Hamilton.*

336. Has that importation of silver come more at the end of the year; has the import of silver been much greater during the last four months of 1875 than the preceding months?—I should say not, because the demand has not been so great.

Chairman.

337. You have seen no accumulation of imports of silver from the United States or from the new mines during the last few months?—Certainly not.

Lord *George Hamilton.*

338. You mentioned an alleged contract between the United States and the proprietors of certain mining companies in Nevada; you have no estimate at all, I suppose, of the amount of silver the United States Government would require?—No, I could not answer such a question as that.

339. Assuming that the Nevada mines could continue their present rate of production, whatever action the American Government took, it would only arrest the export of silver from the United States for a few years?—For one or two years. I think the great question will be what the action of the French Government may be at the end of two years, as to their going on with the International Convention. If they keep on the silver currency I think they will be able to absorb a very large amount of silver.

Mr. *Christopher Beckett Denison.*

340. I think you said there had not been above 140,000 *l.*-worth of silver imported; within what period of time?—I should say, this year; from Germany; it is on account of the German Government, I said. I think that is the whole amount that they have sold here this year.

341. We

Mr. *Baxter.*

341. We were told by a witness, on the last day, that the very large increase in the mines of Nevada had not affected the production in Mexico or South America at all; is it not the case that many Mexican mines have been carried on at very small profit at present?—Yes.

342. And that any further fall in silver would have a tendency to stop them?—Many of the mines would; but still the production of silver in Mexico greatly depends on the price of quicksilver. We have had quicksilver up to 25 *l.* a bottle; it is now 10 *l.*

Mr. *Baxter*—continued.

343. Then, apart from the price of quicksilver, is not there a tendency to stop some of the mines in Mexico?—There would certainly be a tendency to do so; the very poor mines must stop if silver declines much further.

Mr. Robert Giffen, re-called; and further Examined.

Chairman.

344. Resuming your evidence, which you were kind enough to give us last time, can you give us statistics showing the imports of silver into the United Kingdom from all America since 1852?—Yes; I have prepared a Table since I was here last, giving the figures for the United States as I gave them before, and adding a column for Mexico and South America, including the West Indies; and then I have made up the total of these two sums, which shows the imports of silver from those countries into the United Kingdom, less the exports, for a series of years. There is always a little export going on, and I have deducted that.

345. Can you give us the figures from 1870?—In 1870 the total imports, less the exports, were 7,082,000 *l.*

Sir *Charles Mills.*

346. Is this to this country?—Yes. In 1871, 9,018,000 *l.*; in 1872, 7,294,000 *l.*; in 1873, 9,015,000 *l.*; in 1874, 7,392,000 *l.*; in 1875, 6,466,000 *l.*

Chairman.

347. You agree, then, in your calculations with evidence which we have from other sources, that the greatly increased production from the Nevada mines has, so far, not yet been exported to this country?—I think that is the effect of all the evidence; and at the same time there has been no increase of imports from any other part of America.

348. Can you give us any information with regard to the coinage of silver in the United States?—The coinage of silver in the year ending the 30th of June last is stated by Dr. Linderman, in his last Report, at 10,070,360 dollars; that is about two millions sterling. That is in 12 months.

349. For the year ending the 30th June 1874, how much?—5,983,601 dollars.

350. For the year 1872-73?—2,945,795 dollars.

351. The average of 10 years ending 30th June 1872, was what?—It is given by Dr. Linderman as 1,275,623 dollars.

352. Then, whereas formerly the average was 1,275,000 dollars, we have, in the year 1872–73, nearly three millions of dollars; in the year 1873-74, six millions of dollars; in the year 1874–75, ten millions of dollars?—Yes.

353. Showing that a large amount of silver produced in the United States has been absorbed for the purpose of coinage?—In the last year or two.

354. You gave us evidence last time with regard to the issue or the coinage of silver money in the United States, to take the place of the fractional currency?—I gave evidence with

Chairman—continued.

regard to the coinage law, and the purchases of bullion under it.

355. Did you notice a telegram from the United States this morning, stating that a law had been proposed that a million of dollars should be issued monthly in redemption of the fractional currency, but that it had not been passed by the House of Representatives?—I have noticed the telegram, but I can give no evidence, of course, except what is in the telegram, and my experience leads me always to wait in these matters for fuller information than the telegrams give.

356. Have you considered the question, to what extent, if any, the depreciation in the price of silver is due to any change in the relation of the production of gold and silver respectively?—I have looked into that matter, and I find that, going back for some time, there has been an increase of the quantity of gold annually produced, far greater than the increase of silver annually produced. The tendency of this change would be, in the absence of any increased demand for the metal becoming more abundant, to cause a fall in its price, and as the contrary event is happening, there must have been a parallel increase in the use of gold relatively to silver, which I believe has been the case.

357. You say the tendency would be, in the absence of any increased demand for the metal becoming more abundant, to cause a fall in the price?—That would be the tendency.

358. But the contrary has happened?—The contrary event, namely, the fall in silver, is happening.

359. Therefore you look for a parallel increase in the use of gold relatively to silver?—Yes.

360. And that you have been able to trace?—That I have endeavoured to trace in Tables which I can put in.

361. Can you put in a Table making use of estimates prepared by others, of the annual production of gold and silver at various dates during the century?—I have a Table showing the estimate of Humboldt for the beginning of the century, Mr. Jacob's estimate of the production between 1809 and 1829 for that period, M. Chevalier's estimate for the year 1848, just prior to the Californian and Australian gold discoveries, and then I have taken Sir Hector Hay's figures, which have just been put in for the period subsequent to 1852.

362. You have gone back as far as you could, in order to bring together various estimates upon the production of gold and silver?—I have gone back a long time.

363. What is the result of Humboldt's calculations?—Humboldt's calculations show that for all parts of the world, at about the beginning of the

Mr. *R. Giffen.*

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Chairman—continued.

the century (he does not specify any exact year), the normal annual production of silver was 7,732,976 *l.*, and the production of gold 2,634,137 *l.* He also gives the weight of gold and silver; the weight of gold he gives as 19,126 kilogrammes, and the weight of silver 869,960 kilogrammes.

364. Is Humboldt's estimate substantially the only one as to America of that time?—It seems to me to be the most important estimate which was produced at that time, and Humboldt states that he gave a great deal of the information upon which other estimates that appeared at that time were made.

365. With regard to Mexico, what does he state?—With regard to Mexico I find, on examination, that he has derived his figures mainly from the archives of the Mexican Mint, and those figures are substantially the same as those embodied in Parliamentary Returns, with which I have compared them.

366. What Parliamentary Return is that?—There are several Parliamentary Returns of which an account is given in Marshall's Digest of Parliamentary Papers.

367. Have you a copy of one important Table that you could put in?—There is only one important Table, and I have made a copy of that Table, which may be useful to the Committee. (*The same was put in,* vide *Appendix.*)

368. Can you state Humboldt's total estimate of American production for 311 years, ending 1803?—Humboldt's total estimate is 5,706,700,000 piastres.

369. Which you take roughly at 4 *s.* 2 *d.*?—Yes.

370. Can you give us the amount in sterling?—Perhaps I had better give you the amounts of gold and silver separately. The amount of gold is 1,348,500,000 piastres, and the amount of silver is 4,358,200,000 piastres.

371. And in sterling?—The value in sterling is, gold 280,937,000 *l.* and silver 907,958,000 *l.*, making a total of 1,188,895,000 *l.*

372. The general result is this, is it not: that the proportion of silver to gold was as 908 to 281?—Yes, for America alone, over a period of 311 years. The annual proportions for the whole world, at the beginning of the century, were very nearly as 3 to 1; silver was very nearly as 3 to 1 of gold then, according to Humboldt's estimate.

373. Taking it over 311 years, the proportion was as 908 to 281?—That is the proportion of the American production alone. It does not give the whole of the production of the world for 311 years.

374. I believe in the Statistical Society's Journal there is a similar analysis made?—Rather a correction of Humboldt's work. Mr. Danson in 1851 read a Paper to the Statistical Society minutely analysing Humboldt's work, and making one or two corrections, but he did not substantially change the totals of the American production as far as the present purpose is concerned. He made the total value of gold, converting it at 4 *s.* 3 *d.* the piastre, as 300,803,100 *l.*, and the total value of silver as 884,350,635 *l.*, or a total of 1,185,153,725 *l.*, which still leaves the proportions much the same, though gold is rather higher.

375. Will you take your next period, from 1810 to 1829?—From 1810 to 1829 I have taken Mr. Jacob's estimate. Though some would think it rather low, as he makes little allowance for contraband trade, that seems to be of less importance in a question of the proportions merely.

Chairman—continued.

376. Will you state the result?—From Mr. Jacob's statements, I gather that the average annual production of silver in that period was 3,639,000 *l.*, and of gold 1,598,000 *l.*, which makes silver in the proportion of 2·3 to 1 of gold; that is for all the world.

377. The production in the case of the American alone, can you give us that?—Silver 3,109,000 *l.*, and gold 878,000 *l.*

378. Which is just 3 to 1?—Rather over three to one.

379. The next period would be M. Chevalier's, in 1848?—Yes. In this statement the annual production of gold is stated as 10,110,000 *l.*, and of silver 8,720,000 *l.*

Mr. *Fawcett.*

380. Was that just before the gold discoveries?—Just before the Californian and Australian gold discoveries, but not before the Russian.

Chairman.

381. The proportion of silver to gold had then fallen to what point?—·86 to 1.

382. Therefore, even before the discoveries of gold, the relations between silver and gold, which at the beginning of the century had been as 3 to 1, had fallen to ·86 to 1?—I think we can hardly say before the discoveries, because part of that change is due to the Russian discoveries, which were very important at that time.

383. But not to the Californian and Australian?—No.

384. Can you put in a Table with regard to the Russian production?—I have a Table with me of the Russian production down to 1846, showing the gradual increase of it as we come near to 1846. (*The same was handed in,* vide *Appendix.*)

385. Will you give us the amount in the year 1846?—The amount in the year 1846 was 1,722 poods.

386. The value in sterling is what?—£. 3,527,000.

387. M. Chevalier gives an estimate of the Archipelago of Asia, and other sources?—That is one of the items of his estimate.

388. What amount does he give?—Three millions sterling.

389. This is in excess of any previous estimate, and is not confirmed by what is known now?—So far as I can judge now, it is not confirmed, at least as regards any gold coming into the general markets of the world; the estimates are much lower now.

390. Will you pass to the next period, from 1852 to the present time. Do you substantially agree with Sir Hector Hay's figures giving the amounts of the proportions of an average of five years?—As regards the gold I should be inclined to do so generally, but I am not prepared to give an opinion as to silver for a series of years.

391. Will you state the amount of the proportions of gold for an average of five years?—In 1852–56 the amount is given 29,900,000 *l.*, and of silver 8,100,000 *l.*, showing the proportion of silver to gold to be ·27 to 1. In 1857–61 the annual production of gold is put at 24,600,000 *l.*, and

Chairman—continued.

and of silver 8,200,000 *l.*, and the proportion of silver to gold is ·33 to 1. In 1862-66 the annual production of gold is 22,700,000 *l.*; of silver, 9,900,000 *l.*; and the proportion of silver to gold is ·44 to 1. In 1867-71 the annual production of gold is 23,600,000 *l.*; of silver, 10,600,000 *l.*; and the proportion of silver to gold is ·41 to 1. In 1871-75 the annual production of gold is 20,400,000 *l.*; of silver, 13,900,000 *l.*; and the proportion of silver to gold ·68 to 1.

392. Then summing it up very broadly, at the beginning of the century silver was produced in value three times as much as gold; towards the middle of the century the proportions had been so reversed that gold was produced in value three times as much as silver?—That is a fair description of the change; it was rather just after the middle of the century that the increase of gold was so great.

393. But latterly, again, the production of silver has increased in proportion to gold till we finally close over an average of three years in the relation of ·68 of silver to 1 of gold?—Yes, that is so; which is nearly the proportion just before the Californian and Australian gold discoveries.

394. Therefore, we are at present, through the increased production of silver and the cessation of the increase in gold, arriving at the same point where we were in the relation of the two metals before the Californian discoveries?—Yes, that is so.

395. Of course the situation is entirely different, owing to the difference created in the stocks of silver and gold?—The stocks of gold and silver now are very much greater than they were in the early part of the century; gold especially has increased very much.

396. Arranging the figures somewhat differently, the production of gold has ranged, has it not, between 30 millions and 20½ millions in round numbers?—That is since 1852.

397. Silver has ranged between 8,000,000 *l.* and 14,000,000 *l.* according to your figures?—According to Sir Hector Hay's figures.

398. Or 16,000,000 *l.* according to other estimates that have been put before us?—I believe there are estimates higher than Sir Hector Hay's by one or two millions.

399. And the proportion of silver to gold has gradually risen from ·27 to 1 to ·68 to 1?—Yes, that is the nature of the change since 1852.

400. The differences in the amounts of gold now as compared with the early part of the century, show a very different aspect, do they not, as regards the increase, to what is the case with silver?—Yes, the increase of gold is much greater; the gold is put between two and three millions in the early part of the century and down to the middle of the century, but since then it has gone up to between twenty and thirty millions, which is nearly ten times more than it used to be in that period.

401. Have you had any means of checking Sir Hector Hay's figures as regards gold?—Some time ago I prepared a Statement.

402. Which was published in the "Economist" of 3rd August 1872?—Yes, which gives an estimate of the gold production from the different countries. It does not profess to be a complete estimate. I took for the earlier part of the period what Messrs. Tooke & Newmarch give in Vol. 6, down to 1856, which was based very much upon figures that had appeared previously in the "Economist" of 24th January 1857. They give

Chairman—continued.

the production of California, of New South Wales and Victoria, and of Russia; after that period, I made up a Statement from the Board of Trade Returns and other official documents which I have, showing the amount of the exports of gold from all the ports of Australia; the coinage at the Sydney Mint; the deposits of gold at the United States Mints, and the production in Russia, which latter I obtained from private sources; and those make up totals which do not correspond exactly from year to year with Sir Hector Hay's, but, taking an average, and making allowances for the different scope of the tables, they seem to correspond pretty fairly with his figures.

403. Do you put in the Statement?—I do. (*The same was put in*, vide *Appendix*.)

404. In your Statement none of the figures are estimates, except for the last year?—Except for the last year or two.

405. But all are records from which more or less correct inferences may be drawn?—Yes.

406. And which are true as far as they go?—Yes, my object was to give what the official statements were on certain points. The only exception is the statement as to the Russian production, which is an estimate of production merely.

407. Having stated to the Committee your views as to the estimates of production, can you give us any figures with regard to the amounts of gold and silver which have come into what may be called the general commerce of the world?—Yes, I thought it might be as well, as the estimates always raise some doubtful points, if we could have any evidence as to what came into the general business of the world from time to time; that might show also the proportion of silver to gold.

408. To recall the general course of your argument, you have considered the question of the production of silver; you have shown that the production of silver has greatly increased, and you would now show whether the demand for silver and gold relatively have also increased or decreased according to the use to which they have been put?—Yes, as far as the evidence of our own trade is concerned.

409. Because, otherwise, the large increase in the production of gold would have led you to believe that there would have been a rise in the price of silver?—I should have expected a rise in the price of silver apart from other circumstances, whereas there is a fall.

410. Is it your view that the fall has arisen through the use of gold being increased for purposes where silver formerly was used?—That is my opinion.

411. Will you proceed to the figures which you are prepared to put to the Committee. To what do the particulars you are going to give us relate?—First of all, to the exports of gold and silver between 1801 and 1810, as given in the Appendix to the Bullion Committee's Report of 1810.

412. That is exports from this country?—That is exports from this country; next, to similar exports in 1830–1853, as given at page 709 of Tooke's "History of Prices," Volume 6; and, third, to both imports and exports since 1858, since which time the imports and exports have been given by the Board of Trade, and these figures I have taken from summaries prepared by myself.

413. Will

Mr. *R. Giffen.*

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Chairman—continued.

413. Will you put in Tables upon that?—I will put in Tables showing the imports and exports since 1858. (*The same were put in,* vide *Appendix.*)

414. A member of the Committee calls attention to this answer of Sir Hector Hay; he says: "In the imports and exports of silver the same amount perhaps figures three or four times in the Returns; it is imported here; it is sold and goes to France; it is exported; by-and-by a turn of the exchange comes; it comes back here, and then goes to India; so that the Customs Returns show little or nothing as to the quantity of silver and gold that is being used"?—I hardly think that would affect my point, because we are taking the general movements in trade of the two articles, and according as the one is more used than the other, we should judge of the quantities actually in existence.

415. So that, although the figures may not be absolutely correct, the proportions of the general movement of trade you consider may be fairly seen from these results?—It would probably correspond, in some degree, to the production of the two metals.

416. What were the exports of silver in the ten years from 1801 to 1810?—£. 9,323,488, and of gold 1,072,665 *l.*, or in the proportion of about 8·7 to 1.

417. 1830 to 1833?—I can state the proportions for periods of five years. In 1830 to 1834 the amount of gold exported is 6,220,000 *l.*, of silver 19,560,000 *l.*, and the proportion of silver to gold is 3·1 to 1. In 1835 to 1839, gold 7,450,000 *l.*, silver 14,410,000 *l.*, and the proportion of silver to gold as 1·9 to 1. In 1840 to 1844, gold 4,720,000 *l.*, silver 17,840,000 *l.*, and the proportion of silver to gold 3·8 to 1. In 1845 to 1849, gold 8,615,000 *l.*, silver 24,820,000 *l.*, and the proportion of silver to gold 2·9 to 1. In 1850 to 1853, gold 24,350,000 *l.*, silver 21,570,000 *l.*, and the proportion of silver to gold ·9 to 1.

418. Down to 1848 the proportions were about 3 to 1?—Yes.

419. Then it suddenly fell ·9 to 1?—Yes.

420. Since 1858 what have the proportions been?—I give both the imports and exports since 1858: this shows that in 1858 to 1861 the imports and exports of gold together were 127,300,000 *l.*, and of silver the imports and exports together were 72,500,000 *l.*, showing a proportion of silver to gold of ·57 to 1. In 1862 to 1866 the imports and exports of gold were together 159,700,000 *l.*, of silver 101,100,000 *l.*, and the proportion of silver to gold is ·63 to 1. In 1867 to 1871 the imports and exports of gold were 146,900,000 *l.*, of silver 93,400,000 *l.*, and the proportion of silver to gold ·63 to 1. In 1872 to 1875 the amounts of the imports and exports of gold together were 148,600,000 *l.*, and the imports and exports of silver together 88,000,000 *l.*, the proportions being ·59 of silver to 1 of gold.

421. One point of interest, I think, in the Tables you have read is the magnitude of the amounts in the later period as compared with the earlier period?—Yes, I think that will be observed from the figures I have read.

422. The Bullion Committee give the amount of the import of the precious metals in four years from 1810?—Yes, and these amounts are very small indeed; I do not know that it is worth while to read them.

Chairman—continued.

423. The Committee speak of them, however, as large?—Yes; that was what drew my attention to them.

424. Have you any other remark to make upon the subject?—The Bullion Committee give the purchases by the Paymaster General for export of specie for war purposes, from May 1805 to the 1st February 1810, and these show that while the total purchases were 5,826,000 *l.*, the purchases of gold out of that amount were only 507,000 *l.*

425. What presumption have these general facts raised in your mind?—That the fall in silver is not due to any excessive production as compared with gold, looking to the relations of the metals in past times, especially during the earlier part of the century, but rather that the change of the metals has been such as more probably to cause a fall in gold or a rise in silver; and that was what was anticipated, I believe, by writers at that time.

426. What do you suggest, therefore?—I suggest that there has partly been some change in the uses of silver and gold; that gold has come more generally into use than it was before.

427. Can you explain that?—I think one of the principal uses of gold since then has been that France took a very large quantity of the new gold. I have not the exact figures here, but I believe that is a matter of common knowledge, and probably you may have evidence on that point. This gold which went to France partly took the place of silver which was sent from France to the East; a part of the silver which went to the East was taken out of the previous stock of France.

428. Can you give any figures to the Committee on that point?—I have not any figures I can give.

429. With regard to the outlet for silver; silver having been exported from France to the East; have some of the outlets for silver been closed since 1870?—Yes; I think that is very important. Silver cannot have gone to Germany; that is one change; and then in the last year or two the Latin Convention has imposed a limit on the amounts of silver which they permitted to be coined.

430. The Latin Convention is a Convention between France, Belgium, Switzerland, and Italy, with regard to the coinage of silver?—Yes, and I believe it now includes Greece, Greece having been taken into the Convention. The Convention regulates the coinage of both silver and gold.

431. The Convention have come to various agreements at various times since 1867, and they have limited the coinage of silver?—They have limited the coinage of silver, and the amounts fixed have been very small.

432. They are observing at present an expectant attitude?—That seems to be so. The Convention expires in 1880, and they seem to be doubtful what to do.

433. Holland has not bought much silver, I presume?—Holland would buy silver up to last year, I believe; but it has been preparing to change its standard since then.

434. Germany, of course, not only has not been a buyer, but has been a seller of silver?—Yes.

435. But for the agreement of the Convention, do you believe that silver would have gone back to France?—I believe that silver would have gone back to France; and that a fall in silver such

Chairman—continued.

such as we have now, if the Convention had been taking the same course as it is now doing, might have taken place in 1867.

436. Turning to Germany, I wish to ask a very few questions on that point at the present stage. There has been little re-coinage so far under the new law?—I believe there has been very little re-coinage of gold in Germany under the new law. The estimated quantity of gold was about twenty-six millions sterling of the old gold coinage; and from statements which I have seen referred to, I believe the amount which has been received is only about five millions sterling in gold; that is the amount of the old coinage presented for withdrawal.

437. So that all the gold coin has been either bought, or received from France in the Indemnity?—It must either have been bought in the London market or received from other sources. I believe Germany may have received a good deal from Russia and from other sources.

438. Do you know how much gold has been coined; is it sixty millions?—It is over sixty millions; I believe about sixty-eight millions, by a very recent statement.

439. Of that about five millions is re-coinage, and the remainder, or nearly sixty millions, has been actually, over a certain number of years, bought or received by Germany from other sources?—Yes, as far as I can make out.

440. You heard the evidence given by Mr. Wilkins (Question 325), that he knows of twenty-four millions purchased by the German Government?—Yes.

441. And a large amount was received under the French Indemnity?—I think about ten millions was received directly from France under the Indemnity; then large amounts would go from France and Belgium besides, as well as from this country, and from Russia.

442. It has been put before the Committee that the amount of silver coined in Germany up to the year 1871 was ninety millions sterling?—That was the official estimate, I believe.

443. Do you gather from the inquiries you have made, that ninety millions sterling in silver were actually in circulation at that date?—The matter has been very much discussed in Germany, and the discussion seems to point to the fact that very much less than ninety millions sterling was in circulation. There is a good deal of debate about it, but the best authorities seem to me to lean to an amount between fifty and sixty millions sterling (I should say the nearest figure is fifty-seven millions) as the circulation of silver alone out of the ninety millions. That is so far confirmed by the experience which the German Government has had in withdrawing the florins of South German currency. They find that a much less quantity of them must have been in circulation than what the Mint returns gave of the coinage; but as one-thaler and two-thaler pieces have not yet been withdrawn, they cannot speak about them, and those were the principal silver coinage.

444. A certain amount would naturally have been melted down and exported when the price of silver was high?—Yes; the question is what is the amount; but the authorities lean to about thirty per cent.

445. Therefore the total amount of silver, according to these estimates, which the German Government had got to deal with, was between

Chairman—continued.

fifty and sixty millions at the date when they first began their coinage operations?—Yes, perhaps a little more or less; of course we cannot tell until the operation is completed.

446. Are you prepared to state in round numbers the result of your inquiries as to how that sixty millions would be disposed of?—The sixty millions of gold?

447. No, the sixty millions of silver in circulation?—Twenty millions of it, or perhaps rather more, is required under that provision of the German coinage law to which I made reference before, that the silver coinage is to be about ten marks per head, which would give about twenty millions sterling. That would leave about thirty to forty millions sterling of silver which they would have to sell from first to last, but a great deal of course has yet to be withdrawn. The coinage of new gold exceeds this estimate of silver to be displaced, but the presumption is, that the Germans have required gold for the increase of the population since 1871, and they have also required an additional amount in order to withdraw notes under 5*l.* which have been withdrawn under the new Bank Law of Germany, and that has required a certain amount of gold to take its place.

448. An increased amount of currency would be required by the increase of population?—By the increase of population, and a certain amount is required to take the place of these small notes which have been withdrawn.

Mr. *Christopher Beckett Denison.*

449. In your answer to Question 269 on the last occasion on which you were before the Committee, you stated with regard to the United States: "The coinage has, I believe, absorbed a "part, because in January last year an Act was "approved by the President of the United States "for the resumption of specie payments, to take "place on the 1st January 1879. One part of "that Act provided for the issue of silver in place "of what is called the fractional currency in the "United States. This is the clause: 'That the "'Secretary of the Treasury is hereby authorised "'and required, as rapidly as practicable, to cause "'to be coined at the Mints of the United States "'silver coins of the denominations of 10, 25, and "'50 cents of standard value, and to issue them in "'redemption of an equal number and amount of "'fractional currency of similar denominations;'" and further on you give the estimate about 44 millions of dollars. Then with reference to the question which has been put from the Chair this morning, regarding the telegram which has come, that Congress had refused a proposal to buy a million dollars monthly for this very purpose, what is your reading of that?—I am not prepared to say anything about it, because I should prefer to see the full information about it when we get it about ten days hence. I do not like to speak about a telegram in a matter of that kind, and I am not aware that the Act which I quoted has been repealed. I mentioned last time, "unless there was some change made by legislation." I put in that proviso, that the Act of last year would go on.

Mr. *Baxter.*

450. And it is going on now?—It is going on now, I believe.

Mr. *R. Giffen.*

30 March 1876.

Mr. *Shaw.*

451. Have you formed any estimate of the proportion of silver used for manufacturing purposes?—No, I find that is too difficult to go into; the bullion brokers are the proper people to give evidence on that point.

452. A great deal of it goes into use of course?—I could not say how much, but as far as I have observed the former estimates on the subject, about 30 or 40 years ago, appear to have been rather exaggerated. Mr. Jacob and other people give very large sums indeed, but that is not the opinion which I find in the trade now.

453. There is a very large waste, of course, in silver coinage, much more even in proportion than gold?—Yes, I think so.

454. In circulating among the poorer classes, greater waste and wear and tear?—Yes; but I can give no special information on that point.

Chairman.

455. With regard to India, large amounts of gold have gone there, have they not?—When I made up the figures of gold to which I referred, I ascertained that perhaps nearly ninety millions of gold had gone to India between 1848 and 1871,

Chairman—continued.

and that was a very much increased use of gold compared to what it had been previously.

456. If we examine the exports to India we shall find that the exports of gold to India have increased vastly since the discoveries in Australia?—I am speaking now of figures published by the India Office, Indian figures, showing the imports from all countries into India, and I believe you will get them from the office much better than I can give them.

Mr. *Fawcett.*

457. Is it not supposed that a considerable proportion of that gold went on to China afterwards; is not that mentioned in Tooke's "History of Prices"?—I rather find that gold on balance goes from China to India.

458. That was not the case for some time?—At the period of which I speak, from 1848 to 1871, it seems to have been the case.

459. So that that would rather increase the quantity of gold which had been absorbed by India?—Yes, it comes to about 90 millions altogether.

Mr. Patrick Campbell, called in; and Examined.

Mr. *P. Campbell.*

Chairman.

460. You are the chief manager of the Oriental Bank Corporation?—Yes.

461. Besides your Indian business you are, I believe, agents for banks in California?—We are.

462. And for banks in Chili?—Yes.

463. You have, therefore, had experience both of importations of silver in your connexion with San Francisco and Chili; and, I presume, with the exportation of silver through your dealings with the East?—Very largely.

464. Have you looked into the statistics of Messrs. Mocatta & Goldsmid, given to us through Sir Hector Hay?—Yes; I have discussed them with him.

465. Do you generally corroborate his figures?—I do.

466. You have observed that while the production of silver in 1868 were 10 millions, they have risen to from 14 to 16 millions in 1875?—Yes.

467. Have you through your agents in San Francisco details which you can give us as to the exports of silver from that place?—It is all included as treasure. I have here very carefully compiled reports, which I believe are authentic, from the Custom House returns for 1873, 1874, and 1875, detailing the different points to which the shipments have been made, and the description of the treasure.

468. Have you before you the exports in dollars from San Francisco to China and Japan during three years?—I have.

469. Will you state that?—The great bulk is in silver, either bar silver, trade dollars, or Mexican dollars.

470. Will you read the figures?—The figures are, in 1873, 8,540,000 dollars; in 1874, 8,365,000 dollars, and, in 1875, 7,170,000 dollars.

471. Do you think that the Chinese labourers take away much silver in their pockets?—No; they take it in gold, as being more portable.

Chairman—continued.

472. How do they take away their fortunes, mainly?—They take it in drafts from the bank of California on our branches in China.

473. You have branches in China?—Yes.

474. And the banks in California give even the labourers drafts on your banks for such earnings as they have made?—I do not think the labourers take them; but there are certain native Chinese firms who employ that labour, and they buy from the Bank of California a large draft upon us and subdivide it, giving small drafts.

475. You are quite satisfied, are you, that the amounts of silver taken away in their pockets from San Francisco to China by the labourers are not such as need enter much into our calculation?—Decidedly. Gold they may take, but they have got too much accustomed to western ways when they go back to cumber themselves with a large amount of dollars. Trade dollars would be most inconvenient. A man cannot go a voyage of 30 days with a bundle of dollars slung about him; he either takes gold or a draft; I believe drafts generally.

476. Have you received any information from your agents or correspondents in San Francisco, with regard to the Comstock lode?—Yes; the latest information we have about the production of these very large mines is dated the 14th February last, and says, "The out-put of silver from the mines continue most abundant; Consolidated Virginia yielded over two millions of dollars in January; and it is expected that when California begins to yield, about May, the combined production will be over four millions of dollars per month."

Mr. *Fawcett.*

477. That is 10 millions sterling a year?—No. Scarcely so much as that, because a dollar must be taken at 4 *s.*

478. Are

Chairman.

478. Are these statements modified at all by the proportion of gold which is found with the silver, and which is calculated in the out-put?—Very much.

479. Can you give us any particulars with regard to that point?—We have had the silver sent to us for sale in London; therefore I speak from knowing exactly. I have carefully taken out of our books several large invoices of this doré silver, as it is called; and I find that the Consolidated Virginia, on the average, yielded 40 per cent. of gold and 60 per cent. of silver.

480. That is not your estimate, but it is the result of actual sales?—Yes, the result of actual sales from these large mines, not generally of the whole Californian export of doré silver.

481. But in these large mines where the great increase takes place?—Yes.

482. Therefore we may say that of the four millions of dollars a month which these mines are expected to put out, 40 per cent. may be deducted as gold?—Yes.

483. And that we shall have to deal only with the balance in silver?—Yes; on that point there is one very strange fact. They are going deeper, and I have heard from very good authority indeed that the deeper they get with these mines the richer the gold is; that is to say, the further down they go they find that the gold increases and the silver decreases.

484. You do not anticipate that the proportion of silver will increase, but rather the reverse?—The reverse from all that I can hear; the deeper they go the more gold they find.

485. You are also, I understand, receiving silver from the South American mines?—We are.

486. Can you give us any information with regard to the Caracoles mine?—It is very difficult to separate the production of the Caracoles mines from the others, because it is shipped from various ports; it comes down sometimes in coasting steamers, and it is very difficult to discover which is Caracoles and which is the other.

487. Where is the Caracoles mine?—At the most northern point of Chili, bordering on a part of Bolivia that goes down to the coast.

488. How does that silver reach you?—It reaches us chiefly by the Pacific mail steamers coming through the Straits of Magellan. The silver containing gold comes to us through New York, by railway from San Francisco to New York, and from New York by the Cunard and other lines. I have brought with me a bill of lading to show you that certain trade statistics might be very much out. This is a bill of lading for 38 bars, said to be silver, valued at 78,586 dollars. In trade statistics I have no doubt that it is put down as silver, because the bill of lading says it is silver. This is a very rich description of silver, and when it was sold in the London market, in turning the 78,586 dollars into pounds sterling, it came to about 15,000*l.*, but of this shipment, when it was realised in London, 8,800*l.* was paid for silver, and 6,200*l.* for fine gold. This is from the Comstock lode.

489. With reference to the evidence you have given as to the yield of the California and Consolidated Virginia mines, are you aware of the evidence upon which your agents form their opinion?—No, but we have never been disappointed yet on any information they gave us as regards these matters. I believe it is confirmed by the report of the director of the mint in California.

Chairman—continued.

490. Are your agents interested in the mines?—I think not.

491. Your information comes not from the owners of the mine?—Oh, no.

492. Nor from any persons that you know ostensibly to be interested; it is information sent to you, with a view of guiding you as regards the price of silver, if at all?—Yes.

Mr. *Fawcett.*

493. Do you know whether your agents sent you this information from rumours possibly coming from people interested in forcing up these mines, in which there have been, as I understand, enormous speculations, or they have themselves sent independent persons who are not pecuniarily interested in the mine, to inspect the lodes and the mines as they are ordinarily inspected?—They sent me the balance sheet of one of these mines, the Consolidated Virginia, which gave the out-put as they call it in California for the last year, ending December 1875. I believe one of the members of the Committee has the report: at least I sent it to Mr. Hodgson. It distinctly stated that 17 millions of dollars within a small fraction were raised, and 12 millions of dollars were distributed to their shareholders as dividends during the year 1875. That makes me think that the statement which we have just received, and which is confirmed by an English house in San Francisco, must be tolerably correct.

494. Your evidence seems to me to raise a very important point; you have given an estimate with regard to the future; you say you have reason to believe that in May the yield of this mine will be much greater than it has been?—Yes.

495. With regard to the yield up to the present time, that might be ascertained from precise and well-known facts; but with regard to the future, everything is uncertain in mining, and what I want to know is, is your opinion with regard to the future based upon rumour, which rumour may possibly come from people pecuniarily interested in the mines, or is it based on a careful and independent inspection of the mines?—I believe it is based on a careful and independent inspection.

496. By a competent mining engineer?—Yes, I believe so.

497. Employed by whom, by your agent?—No, certainly not; most probably by the owners of the mine.

498. You say it comes as the opinion of some one employed by the owners who, of course, are pecuniarily interested in making the mine appear as prosperous as possible?—No doubt; but the one mine is alongside the other, the California mine is exactly parallel with the other; the one bounds the other.

499. That does not at all touch my point, because it has happened, for instance, in Cornwall, I know, of my own knowledge, that you may have one mine, an enormously rich mine, and that there is not another mine in the neighbourhood which has paid its working expenses. Does this information come from an engineer or a mine inspector who has been employed by a perfectly independent person who has been anxious to get information independently of any pecuniary profit, or do I understand you it is an opinion based upon the report of some one employed by the owners

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Mr. *Fawcett*—continued.

owners of the mine, who are pecuniarily interested in representing it as prosperous?—It is impossible for me to say. It comes from our correspondent, and he is corroborated by the first English house there.

500. You do not know the basis of that information?—No.

Mr. *Mulholland.*

501. You find it necessary for the successful conduct of your own business to acquire information of this kind from correspondents upon whom you can generally rely?—I believe so.

502. And you have reason to rely upon the information of this correspondent?—Yes.

503. It has come to you in your usual course of business?—Yes.

Chairman.

504. It is sent to you not for publication, but to guide you in your operations?—Yes.

505. We were on the subject of the Caracoles mine: can you give us statistics with regard to the export of silver from Chili?—Yes, these are statistics made out by the Government of Chili, and sent to us by the National Bank of Chili. I find the following among mining and the general exports of its produce: bar silver and silver ores, as nearly as possible, three millions of dollars for 1873, and about the same amount for 1874. The amount for 1875 is not given.

506. That would be about 600,000*l.*—£.700,000.

507. Does that include the Caracoles mine?—I fancy it must; I am not able to say.

508. The Caracoles mines are in Chili?—It is a matter of dispute between Chili and Bolivia. It is the very north point between Chili and Bolivia.

Mr. *Baxter.*

509. You said the produce was shipped from various ports?—Yes.

Chairman.

510. Will you state, that which I presume you can speak to with absolute certainty, what you have received from your correspondents in silver for the last few years?—I have made out that during 1875 we have received about 600,000*l.* sterling in bar silver from the different Chilian ports.

Mr. *Baxter.*

511. Chili alone, not including any part of Peru?—All Chili.

Chairman.

512. In previous years?—Not so much. I have not got it.

513. Have you received larger amounts during the years 1874 and 1875, than previously?—Certainly; it is gradually increasing.

514. You see, in the amounts sent to you an increase in the silver production of Chili?—I do.

515. Can you tell us when the Caracoles mines began to be productive?—They have been known for a long time. I believe some years ago they produced much more. They have now come upon richer ore. They ceased working almost entirely for some years, and now they have increased again.

516. Have you had any information as to the expense at which they are now worked, whether they can produce silver at a profit even at present prices?—No.

Chairman—continued.

517. Is there anything you can add to your evidence with regard to the receipt of silver from Chili or South America?—No; I may say it contains no appreciable gold.

518. Have you got any statistics as to Mexico?—No; I am not able to say much about Mexico.

519. Have you considered the causes of the fall in the price of silver?—Yes.

520. To what do you attribute that fall?—It began by the alarm created by the demonetisation of silver in Germany; then the increasing amount of council bills sold in London on India; and also, I think, that which has been going on for many years now, the wants in England of the largely increased English army in India, and the large increase in the Civil Service.

521. You mean that the English officers, whether civil or military, and English soldiers in India, remit a portion of their pay which they receive in India to this country?—No doubt of it.

522. Do you believe that to be an increasing sum?—Yes.

523. Those remittances would affect the exchanges, would they not?—I think so; in fact, we have large amounts coming home, what are called family remittances.

Lord *George Hamilton.*

524. Which are not remitted through the India Office?—Yes.

Chairman.

525. These remittances would have the effect of lessening the amount which had to be sent back to India as returns for their exports?—They act the same as council bills, exactly.

526. The total amount of bills to be drawn on India, and which can therefore be sent as remittances, has increased, and the amount of silver therefore, which is required for settling the trade arrangements between India and this country, is thereby diminished?—Yes.

527. That accounts, in your judgment, to a certain extent, for the small demand for silver for the East?—Yes.

528. Do you look upon that as a permanent cause so far as it goes?—Unless the Indian Government are able to reduce their expenditure in England, it must be so.

529. Apart from the Government increase, is it permanent in your judgment as regards the individuals remitting from India to this country?—So long as the large Indian army is there, and so long as the large English civil service is there, their wives and families and friends and relations all in England derive some benefit from them generally.

530. Have you seen an increasing amount?—It has been a steady increase as the English army has increased, and as the English officials have increased.

531. But it has been increased by the substitution of the English army, and the increase of the English army as compared with the native army?—I think so; more money is spent in England, and less in India, than when the Indian army was there.

532. Can you tell us anything with regard to the fall in silver being caused by any depression in trade?—I think so; that is another cause which I think has had a great deal to do with it.

533. You attribute importance to that cause?—I think

Chairman—continued.

—I think the stagnation in trade has reduced the circulation; in fact, there is less inducement for the English merchant to buy produce in India; there has been a loss on almost every import.

534. To what extent do you attribute importance to that cause?—Well, it is impossible for me to say; there are four causes united which have caused it.

535. Will you state those four causes again?—It began by the demonetisation of silver in Germany; it was reported that they would be obliged to sell from 50,000,000 *l.* to 60,000,000 *l.* of silver; that frightened everybody in India. Then the stagnation of trade with India; the increasing amount of council bills that were sold in London, and the wants in England of the largely increased English Army and Civil Service in India; and then on the top of all came this increased yield from the Californian mines.

536. You attribute the depreciation in silver to those four causes, without being able to assign any particular effect to any one of them?—Yes; they all, gradually following each other, have caused it, and have caused a great deal of panic.

537. Can you give us any information with regard to the depression of trade, and falling off in exports?—No, I have not prepared myself to do that.

538. There has been, has there not, a general loss on Indian exports, at least upon some articles?—I believe so.

539. Are there any other observations which you can offer the Committee on that part of the subject?—Yes; I took it carefully from our returns, which will explain, perhaps, more than anything else the value of a sovereign in India; although there is not so much gold, still there is a market constantly for English and Australian sovereigns; during the year 1874 if any officer or civil servant were coming home he could get a supply of sovereigns to bring with him; say 100 *l.*; he would get them at from *Rs.* 10. 10. to *Rs.* 10. 12. each. By our last quotation they would cost him *Rs.* 11. 8. or *Rs.* 11. 10. That shows the difference that has taken place since 1874 in the value of the rupee as compared with sovereigns.

540. Have you seen anything of the export of gold to India?—No, not of late years.

541. When the large amounts of gold went to India, did they return or have they been absorbed in the country; can you give us any information upon that, or would you prefer not to answer upon that point?—I do not remember during the last ten years any gold coming from India to England.

542. Are there any other points which you wish to put before the Committee?—No, I think not.

Mr. *Baxter.*

543. Have you any information with regard to a contract said to have been entered into by the United States Government with the mine-owners of Nevada?—Nothing, except that within the last day or two we have received advice from our friends in California that the stagnation in the silver market caused by the fall in the value of silver in London has been checked considerably by purchases by the United States Government.

544. Do those advices refer to purchases made by the United States Government at the time,

Mr. *Baxter*—continued.

and not to any contract for a period of years?—No, but they are buying now in California.

545. Can you give us any information with regard to silver said to be stacked up in American mines at present?—No.

546. A very considerable sum would be required in order to alter the American currency (what is called the fractional currency), to substitute silver for the notes at present in circulation?—A very large amount.

547. Would that be required in the next two or three years?—It depends entirely on the acts of the United States Government. They are evidently paving the way for it.

Mr. *Fawcett.*

548. In addition to the four causes which you mentioned as accounting for the present depreciation of silver, are there not one or two others you would add; should not you add the great absorption of gold by France, and the export of silver from France, which shows that France who once absorbed silver to a great extent now does not absorb it at all, but exports more than she takes in. That cuts off another source of absorption, does not it?—Yes, and there are Holland and Germany, which formerly took large quantities of silver, and they now do not take any. Instead of being buyers they are being sellers of silver.

549. With regard to India, one of the reasons to which you attribute the depreciation of silver is that Englishmen show a greater tendency to remit home than they used to, and that, with the improved means of communication, is increasing, is it not?—Perhaps I should not say they show an increased tendency, but they have increased very largely in number. The Army is very largely increased and the Civil Service is very largely increased.

550. What I mean is this: that formerly, when it took a long time to get home, it was a very frequent thing for persons to spend nearly the whole of their lives in India, and not to come back to England once in seven or eight years; now a great number of people come home from India even for two months' holiday?—Yes.

551. Of course with improved means of communication that is likely to increase?—No doubt of it.

552. Then there is also a larger portion of the revenues of India now spent in England; for instance, leaving out of the question the Army and Civil Service, and that amount of stores which is required for public works that the Government are carrying out?—That has increased the necessity of the Indian Council drawing so much more largely than they used.

553. That is another cause of the depreciation?—That takes the place of silver.

554. Therefore it cuts off another source of absorption?—It does.

555. Therefore your general evidence is this; that with the largely increased production of silver you have several important sources of absorption for that silver either altogether closed or greatly diminished?—Yes.

556. That is your point, is not it?—Yes.

Mr. *Cave.*

557. Are there not large quantities of sovereigns which go to Brazil and China from this country?—I do not know as regards Brazil, but certainly not to China.

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Mr. *Cave*—continued.

558. Is not the sovereign one of the means of circulation in China as well as in Brazil?—No; sovereigns are an article of merchandise in China, as in India.

559. How are they used in China?—Not as a circulating medium at all.

560. For what are they used?—There are very few there.

561. They have not displaced in any way the ordinary circulation of the country?—Oh, no.

562. Have they done so in Brazil?—I am not aware of it. I do not know Brazil sufficiently.

563. Does all the silver from Bolivia go by the Pacific?—Now I think it does.

564. There are no other mines on the other side of the Andes, the produce of which comes down by the Rio Madalena and the Amazon?—I am not aware of it; all we get comes by the Pacific.

565. From what port?—Different ports; three or four ports on the coast.

Mr. *Mulholland.*

566. You alluded to one new mine which will produce largely this year, two millions of dollars a month, in the Comstock lode. Are there many other new mines to be opened, do you know?—None that I have heard of so rich as that. There may be some.

567. That includes the probable increase for this year?—As far as we are advised.

568. Do you know anything of the amount of silver in circulation in India; I do not mean the total amount, but its adequacy for the wants of the people?—It is impossible to say that.

569. Do you know anything of the demand for silver in China at present?—It is impossible to say.

570. As far as your bank is concerned?—I was a long time in China; I have sixteen years' experience, and I know it is impossible to say.

571. What is the present state of the current of silver towards China?—At Canton and the southern ports, Amoy and Foochow, dollars pass current. In the north, Shanghai and Yan-tzi, Syce silver.

572. Is that the extent of it at present?—It is utterly impossible to say.

573. I mean whether the course of exchange at present is such as would require the usual current of silver into China?—No; the low rate of exchange has checked the export of silver into China very much.

Mr. *Mulholland*—continued.

574. The cause of the dulness of trade has probably affected China as it has India?—I think it has.

Lord *George Hamilton.*

575. You spoke of the increased amount of remittances; are those remittances chiefly made by persons in the employ of the Indian Government, or are they by private individuals?—By both.

576. The tendency the last few years has been, I think, to increase the number of Europeans or British subjects who settle in India?—Yes.

577. Of course the more capital they invest in developing Indian products, the larger would be the amount of remittances they would make home?—Yes, of course. English people, soldiers, civilians, or merchants, or people who settle there and cultivate estates, most of them have their families in England. You are aware that families must be sent home from India at certain seasons, and they all remit a certain portion of their income to this country; and that, in the aggregate, is very large. It acts exactly as the Council Bills in India; it prevents a certain amount of silver being required for India.

578. Therefore the amount of remittances from India is likely rather to increase than decrease, in consequence of the greater number of persons who go out to India, not only in Government employ, but for private purposes?—Yes, I think so.

Mr. *Christopher Beckett Denison.*

579. Have you any knowledge of the form in which the eight millions gross, which the Government of India receive for opium each year is paid to them?—During all my experience there was a steady drain of either gold or silver from China to India. I never remember the reverse current taking place. I never remember silver or gold going from India to China. There was always a steady drain as there has been from England, for many years into India, of gold and silver from China. I am not prepared with any statistics. I have brought rather a careful Report of the Imperial Mint of Japan, where they tried a gold currency, or a mixed currency, and I will put it in, if you like. They coined there during three years fifty millions of gold dollars, and only thirteen millions of silver, and nearly the whole of that gold has been sent away.—(*The same was put in,* see *Appendix.*)

Mr. Robert Wigram Crawford, called in; and Examined.

Mr. *R. W. Crawford.*

Chairman.

580. I need not ask you whether you have been engaged for many years in business?—I have been for forty-two years responsibly engaged in business.

581. A large portion of your business has been with the East Indies, I believe?—I was resident in Bombay from 1833 to 1847, and since that time I have been engaged in business in London.

582. In the East India trade?—In the East India trade.

583. From the position which you held for some time as Governor of the Bank of England, you have also watched financial affairs?—Yes.

Chairman—continued.

584. You are Chairman of the East Indian Railway Company?—I am. I have been chairman for about 22 years of that company.

585. Your connexion with that company will no doubt enable you to give the Committee some information with regard to the effect which the remittances for those railways have had on the exchanges?—Possibly it may.

586. Will you, in the first instance, state to the Committee whether you have considered this question of the depreciation in the price of silver, and have considered what causes have led to it?—I have considered it, naturally, as a question very much affecting my own interests and the interests

Chairman—continued.

interests of the particular trade in which I am engaged, but I do not profess to have examined it from an economical point of view or philosophically.

587. Practically, what causes have, in your opinion, led to the depreciation in the price of silver?—In the first place, I should say it is due to the great increase that has taken place in the production of silver concurrently with the demonetising of silver in Germany, and in the second place to the prodigious increase in the amount which the Indian Government in this country draws upon India, which is also added to by a large amount of bills of the same character, that is bills representing the interest upon that part of the Government debt which is enfaced for payment in this country, that interest amounting to about three-quarters of a million in the year, and all that concurrently with a great stagnation of trade and a fall in the value of the commodities raised in India and sold in Europe.

588. Can you give any opinion to the Committee with regard to the stagnation of trade?—As a rule, there is not an article grown in India (there may be one or two exceptions) which can be sold to a profit in this country, and there is hardly a thing that is exported from this country to India that is realised without loss. That may be taken as the condition of the Indian trade for the last three or four years.

589. The effect of that has been, I presume, to a certain extent, that the exports from India have been less in value than at previous times?—Perhaps I may illustrate that by referring to the value of cotton. I made a memorandum before I left the city, of the price of cotton, taking one standard quality, and I find that whereas that standard quality (I am speaking of Indian cotton only) is worth now about 4¼ *d.*, last year it was worth 5¼ *d.*; the year before that 5¼ *d.*, and three years ago it was worth rather more than 6½ *d.* If you take the last three years' fall to represent 2*d.* per pound, that will amount to about 60 *s.* per bale upon the average of the cotton exported from India to Europe, and as that quantity is certainly not less than one million and a half bales in the year, there is at once, in that single commodity, a depreciation of about four and a half millions in value, which value, if the price had been maintained, would have to have found its way back to India.

590. The proceeds would have had to find their way back to India?—Generally speaking, they would, in the settlement of the balance of trade.

591. Are there any other articles in a similar position?—I have not taken out the figures of any other article, but I may say that the export of sugar from India to this country has almost entirely ceased, partly owing to the operation of the sugar laws of this country, and also to the fact that the people in India are able to consume a much larger quantity of it themselves. Take the case of saltpetre, which not long ago was worth 30 *s.* a hundredweight; you can with difficulty get 17 *s.* or 18 *s.* for the same thing now. On the other hand, there has been a considerable increase in the quantity of some goods, such as oilseeds, though a diminution in the value. That is due partly to the increased facilities in bringing those goods to the chief port in India.

592. Cotton?—Cotton has been, perhaps, almost a principal commodity which has not returned money for money.

Chairman—continued.

593. Tea?—Tea has increased very much indeed in the amount exported from Calcutta; that is to say, increased in quantity, from a very small quantity becoming a large quantity, and that has been fairly profitable, but I should say more profitable to the grower than the exporter.

594. You state generally, that the exports from India have neither been profitable nor have they been equal in bulk to what they were in previous years?—I should say they have not been profitable, as a rule; whether they are equal in bulk it is difficult to say, without going into a minute investigation, but certainly, in the quantity of cotton, they have not been.

595. Cotton being one of the principal articles?—Perhaps the principal article.

Mr. *Fawcett.*

596. Do you mean equal in bulk or equal in value; your statistics showed a great falling-off in quantity, but not in quality, did they not?—I said I found it difficult to give an answer to that question.

Chairman.

597. As regards cotton, has there been a falling-off in the export of cotton?—There is a falling-off now going on, but there has not been a very great falling-off in the quantity compared with three years ago, in what you term bulk.

598. In regard to the export of Manchester and other goods to India, has there been a corresponding falling-off?—No, for this reason, that India is the quarter of the world to which manufacturers mostly export goods that they cannot sell here; or rather, I should say, the excess of their own production, from the extreme facility in obtaining advances of money upon it.

599. May I gather that this is your notion of the situation, that the exports from India have, at all events, fallen off in value, that the exports to India have remained stationary, and that therefore there is a smaller balance to be remitted from this country to India as the result?—I do not know that the exports to India have diminished in value as far as England is concerned, but certainly they have diminished very much in value so far as India is concerned; prices have fallen very much there.

Mr. *Baxter.*

600. The export trade of this country, as well as the import trade, has been a losing trade?—Unquestionably.

Chairman.

601. If there had been a corresponding falling-off in the exports to India, to that which we have seen in the value of the exports from India, it would not have any effect upon the balance of trade, would it; there would not have been that operation on the exchange which would otherwise occur?—Certainly not.

602. So far as the falling-off in the exports may have been modified by the falling-off in the imports to India, the exchange would remain at the same point?—It would naturally remain at the same point, if there be no other countervailing considerations.

603. Do you believe that there has been a greater falling-off in the value of the exports from India than in the value of the imports into India in the gross?—I said that the gross value of the goods imported from India into Europe has

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Chairman—continued.

fallen in a much greater proportion than the value of the goods which have been sent out.

604. That difference, besides other causes, would operate upon the silver markets; the balance between England and India, so far as it is not affected by the foreign trade in other countries, being settled in silver?—Yes; it is rather difficult to talk of the balance of trade between India and this country. It is the balance of trade and finance; the two together. The old term "balance of trade" is becoming very nearly an extinct term. Financing takes the place of trade now in the commerce between a great many countries and England.

605. Can you state to the Committee the way in which, as regards merchandise, the operations between India and Europe are modified by the operations between India and China, for instance?—It has always been a very difficult thing to arrive at anything like a result in a calculation of the balance of trade between England and India; because there is such a large trade carried on between India and other countries into which money belonging to people engaged in trade in this country enters more or less. For instance, everybody knows there is a very large trade between India and China. The value of the opium imported from India to China may be taken roughly at 9 to 10 millions a year. There is a certain amount of cotton also exported. Well, China does not send that value back direct to India in goods or silver; it used to send it back partially in silver, but a very large proportion of it went to supply the funds with which the tea purchases were made for the supply of the New York, Boston, and generally the American markets; so that it would be impossible to take into account everything bearing upon the balance of trade between this country and India, unless you also take into account the trade between India and China, and knew accurately to what extent the returns were made direct from China to India in silver, or in the form of goods. Then, again, there is a very large trade between Calcutta and New York, at present, amounting, I should think, to not very far short of two millions in the year. The Americans take a large quantity of oil-seeds from Calcutta, and also indigo and hides; the three together making up, I think, last year, not less than 1,800,000 *l.* America sends Calcutta nothing at all; so that all that has to be adjusted through the trade of this country.

606. The Committee would, therefore, be misled if it were to be guided in its view as to the exchanges of India simply by the exports and imports between India and Europe alone?—They would not know all the facts necessary to enable them to come to a proper conclusion.

607. Other facts would be necessary?—Other facts extraneous to the actual trade between the two countries.

608. With regard to your answer that finance enters so largely into that which was formerly called the balance of the trade, the loan operations of the Government of India, I presume, have had a very considerable effect upon the exchange between Europe and India?—The loan operations have a certain effect, because the public securities issued by the Government of India, which are always in the form of promissory notes, form a very handy mode of remittance between the two countries, according to the view that the

Chairman—continued.

persons sending them may have of their probable value at the time of their receipt in the country to which they are sent. Then, again, as I said before, about 15½ millions of the Rupee debt of India had been as it is termed enfaced for payment of the interest in this country. The interest, when so paid, is not paid in the form of money here, but in the form of a bill for the rupees which would have been due in India upon the note if it remained there. The interest upon 15½ millions at from four to five per cent., it will be seen, will amount at once to a sum of probably from six to seven hundred thousand pounds. That is to be added to bills of the same character which the Government themselves sell.

609. These remittances in the enfaced paper to India must not be included in the Government drafts?—No.

610. They act as much in reference to exchange and import into India as if you had sent Manchester goods?—Just as much.

611. With regard to the Indian railways you are able, as chairman of one of them, I have no doubt, to state the way in which finance arrangements between the railways and the Government of India were settled?—Yes. Those arrangements have had a very important bearing upon the question of the exchange between this country and India. Under the contracts, which are contracts in sterling, made in this country between an English company and the Government of India in this country, the capital is paid, when raised, into the hands of the Secretary of State; a very small portion of it, not 1 per cent., has been raised in India. Upon the money so paid into their hands the Government pay interest at the rate they may have guaranteed, which may be taken almost invariably as 5 per cent. Now the amount of interest which they at present have to pay annually to the railway companies here is 5 per cent. upon about 95,000,000 *l.* sterling. That money is earned to a very great extent by the railway companies in India in rupees, but the Government are bound by their contract to pay the money here in sterling.

612. At a fixed rate of exchange?—At a fixed rate of 1*s.* 10*d.* a rupee. That rate was settled by Mr. James Wilson when he was Secretary to the Board of Control, in the year 1849, in the case of the railway with which I am connected, and that principle having been established has been maintained throughout, excepting in the case of the Oude and Rohilkund Railway and the South Indian, the last Companies with which contracts have been entered into, and there the terms are different; but what they are I do not recollect.

613. The Committee may understand that the operation of bringing home the money is this: the fares and receipts of the railway company, I presume, are paid into the company on the other side in rupees?—Yes.

614. Those rupees are paid in to the Government in India?—They are.

615. The Government in India have got to turn them into gold at some stage in order to pay the interest which is practically guaranteed in gold in this country?—They have to convert into some form of sterling money here, the difference between the gross receipts and the charges.

616. The difference between the gross receipts and the charges has got to be paid in this country?—Yes.

617. And

Chairman—continued.

617. And that is paid at the fixed exchange of 1 *s.* 10 *d.*, however much silver may have fallen in price?—Yes.

618. Have the exchanges been affected in any way by the payments made in this country to the Government during the construction of the railways?—About 40 per cent. of the whole sums paid in are disbursed in this country for the purchase of rails, permanent way, locomotives, and plant of various kinds. The remaining 60 per cent. has to be paid by the Government to the companies in India, and to the extent of 60 per cent. the moneys paid by the railway companies have come in relief of the sum which the Government would otherwise have had to draw upon India, and I think it will be found that one of the causes of the increase of the Government bills upon India has been, that as the construction of those railways has been concluded in India, they have no longer had the moneys paid to them for capital to meet the charge which came upon them for interest.

619. In other words, is this the position: that the difference between the amount paid in by the railways to the Government and the amount spent by the Government in this country for purchases connected with the railways was paid out in India by the Indian Government?—Yes, the figures being 60 per cent. and 40 per cent. out of every 100 *l.* paid in here by the railway company to the Government, 40 *l.* was expended in the purchase of things required for the railway; the other 60 *l.* remained in the hands of the Government to be accounted for in India.

620. Therefore this expenditure came in diminution of the remittances which otherwise India would have had to make to this country?—That is one way of stating it.

621. It came in diminution of the amount which the Indian Government on this side would have had to draw on the Indian Government in India?—That is the way in which I should have put it.

622. The construction of railways under this system has practically terminated, has it not?—Practically it has.

623. The construction of the railways having been completed, there is no longer that relief to the Indian Government of receiving from the railways a large amount in this country, which relieves it from the necessity of drawing upon India?—Precisely so; the construction having finished they have no longer that rate in aid from the railway companies.

624. On the other hand, the lines now having been made, the operation is rather in the reverse direction. The Government is under an obligation to pay the interest in this country on the loans which have been raised, and is therefore the payer instead of being the receiver?—Exactly so; the obligation remains on the Government to pay interest on the capital that has been so raised. At the time when the exchange was fixed at 1 *s.* 10 *d.* it was considered that it was a great advantage to the railway companies to get a rupee in India for every 1 *s.* 10 *d.* in the hands of the Government here, and the Government were taken to task for having fixed such an exchange. The answer was, "By and by, when we come to pay in this country the interest, we shall get the pull of the railways;" but, unfortunately for them, this question of the demonetisation of silver in Germany, and the great production of silver elsewhere has arisen, and the railways have got the turn the other side.

625. The railways first benefited by the rate of exchange when they had to place their money in India?—Yes.

626. And now they are saved from a loss which they would have incurred when they have to get their money home?—Just so. I should like to mention one point, and that is that this question of the depreciation in the value of silver affects the railway companies only in one particular. When they make a profit, that is, when their receipts in India are in excess of their charges to an amount larger than the interest which the Government have to pay here to the companies, there remains a profit. In the case of the railway company over which I am presiding, we have been fortunate enough for some time past to make something every half-year in excess of the guaranteed interest. The Government pay us every half-year 2½ per cent. on the capital, but there still remains a certain number of rupees in India over and above that. For that we have to draw upon India; at all events we have to get these rupees home which we distribute to our shareholders in the form of a dividend in excess of the guaranteed interest, and to that extent we shall have, I have no doubt, to sustain a loss until a better time arises.

627. Can you put before the Committee any statement of the amount of money which has been paid by the railways to the Government during the course of their construction?—Yes; in Mr. Juland Danvers' annual report of last year, the total amount raised by the railway companies up to 31st March, was 95,119,119 *l.* That has been practically all raised in this country, and paid into the hands of the Secretary of State during the period to which the figures refer; that is, from the year 1849–50. The sum paid out of that has been 93,400,000 *l.*, the difference probably remaining in the hands of the Government. Out of that sum, in round numbers, 40,000,000 *l.* has been expended in this country, and 54,000,000 *l.* in India.

628. Have you before you the last year's return?—Yes; the amount paid here by the Indian Government to the railway companies has been decreasing as construction has been coming to an end; I mean the amount of the capital returned for expenditure. In the year 1867–8 the amounts paid in this country were very nearly 4,000,000 *l.*

629. The exchange has been affected by the fact that now the Government has to draw its full amount instead of being relieved of a part?—I look upon it that it is one of the chief causes which have brought about the present very low exchange. I think probably that it will be traceable when the figures are examined, that the increase of the amount of the drawings upon India has followed the cessation of the supply from the railway companies.

630. The question will naturally arise how far that is permanent?—I suppose it must, as a matter of course.

631. Unless the Indian Government temporarily were to borrow in this country?—It is impossible to speak with any confidence on the subject of exchanges in connexion with the proceedings of the Governments, for they are surrounded in this country with profound mystery. None of us in the City know how we are to be guided

Mr. *R. W. Crawford.*

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Chairman—continued.

guided in anything we do in relation to the exchanges with India, as far as the transactions of the Government here are concerned. There is a popular impression at the present day that since they have failed to receive money by the selling of bills in India, they are living upon unexhausted credits which they have received from Parliament. Now, it is known perfectly well that you may go to any broker in the City and he will buy you one or two hundred thousand pounds of Indian Government bonds, but the public do not know what amount is offering in the market. They do not know under what authority the bonds are issued; they only know that in a matter so very much affecting the exchanges between the two countries, those exchanges are liable to be interfered with by some unknown operations of the Indian Government.

632. How does it affect the exchanges?—Because if the Government do not obtain money in that way they must sell their bills.

633. Can they sell their bills?—They can sell their bills at a price.

Lord *George Hamilton.*

634. If they must sell them, they would have to sell them lower?—Precisely; as I said, at a price.

Chairman.

635. In that way, you think, at present the exchanges are influenced to a certain extent?—The exchanges are influenced to a certain extent. If I might supplement my last answer, I would say that when the Government was transferred from the East India Company to Her Majesty's Government in this country, one of the first things that was objected to was the system of open loans in India. In India there was always a loan open at a rate of interest, to which any person might subscribe money and receive for it a promissory note. It seems to me the Government are pursuing precisely the same course here now. They have an open loan, because anybody can obtain through a broker any securities which the Government are selling.

636. Are you speaking from information?—Partially.

637. It has a bearing on the exchanges, no doubt?—It has a bearing on the question of the exchange, because as the Government have for a number of years derived their means by the sale of bills in India, if their means are derived from any other source the question of the exchange is a good deal affected by it.

Lord *George Hamilton.*

638. I suppose you are alluding to the fact that the Secretary of State for India, the other day, placed a certain number of debentures privately, through a broker?—I should not have said the other day; I have always understood that that is almost a constant practice.

639. You know that since the Secretary of State ceased to obtain bills at the rate fixed, a certain number of debentures have been issued?—Yes.

640. It was not merely to that fact you referred, but to what you believe to be the practice?—I believe it to be the practice of which what your Lordship now refers to is an instance.

Chairman.

641. One sometimes reads about the par of exchange of India; what would you call the par of the exchange, or should you say there is no par of the exchange?—I would submit there can be no par of exchange between any two countries whose standard of value and legal tender are dissimilar. There cannot be a par of exchange between this country, where the standard of value and legal tender is in gold, and India, where it is in silver. I was looking at the exact value of the rupee to-day, to see what was the precise intrinsic value of it; but to get at the value of the rupee, you have to take the value of the silver contained in the rupee. The Indian Government had a large quantity of silver sent home, about six years ago, at the time I was governor of the Bank, and we had the selling of that silver for them. I have referred to the accounts, and I find that silver was sold at something better than 60 *d.* per ounce. Now, the value is no more than 53 *d.*; there is a difference of 11 per cent. Therefore it is impossible to establish a par value between the two countries when, in the course of six years, so enormous a difference as that in the value of one of the precious metals, as it is termed, has arisen.

642. To go back for a moment to your former evidence, apart from the question of demonetisation in Germany, of the increased production of the Californian mines, I understand you to attribute a certain importance, amongst the causes for the fall of silver, to the depressed state of Indian trade, and to the increased amount of Government bills to be drawn on India?—Yes; on the one side I consider that there is an enormously increased supply, and on the other side there is a very largely diminished demand for silver; that diminished demand arising not so much from the excessive increase in the production, as from separate causes altogether.

Mr. *Christopher Beckett Denison.*

643. An enlarged supply all the world over, or an enlarged supply here?—An enlarged supply in the world.

Chairman.

644. So far as the fall may be due to the depressed state of trade, I presume you would consider that a temporary cause; so far as the increased drawings of the Government in India through the accumulated debt of India, would you believe it to be a permanent cause?—I cannot see any grounds upon which we can look for any early change. I suppose the supply will continue to be excessive. I suppose the Germans will go on with their course of demonetisation; and I suppose the Government in this country will still have to draw very largely indeed upon India.

645. I did not allude to the permanent or temporary character of the supplies, or to the operations in Germany, but I meant with regard to the other two factors in the sum, namely, the depression in trade, and the increased drawings of the Government on India. With regard to those two causes the depressed state of trade might be considered, I presume, a temporary cause?—I hope so, I am sure.

646. But the amount to be drawn by the Indian Government may be looked upon, I presume, as permanent, unless it is modified by loan arrangements, taking the tribute to be paid by India

Chairman—continued.

India to this country in the shape of interest payable upon her debt, the payment for troops, and various items, which comprise the 15,000,000 *l.* which the Government have to draw; you are not aware that there is anything to diminish that sum?—I am not aware of any circumstances likely to lead to a diminution of that sum. Already it forms about one-third of the whole revenue of India.

Mr. *Christopher Beckett Denison.*

647. Would not the introduction of a double currency into India alter the calculation?—I think a double currency is a financial heresy, which can receive no support.

Mr. *Fawcett.*

648. With regard to what you said just now about the Secretary of State for India having an open loan here like the East India Company used to have in India, if he raised money on debentures he does not avoid the difficulty which India will have to bear with reference to the depreciation of silver; it only postpones it, because the interest will have to be paid; if it is an interest of 4 *l.* on 100 *l.*, it requires so many more rupees, if silver is depreciated, to be sent over to pay the interest on each 1 *l.*?—It will not avoid the difficulty, it merely postpones it. It may be stated in this way: I apprehend the Government of India have now not raised any money for the last three months by the sale of their bills in India; that would, I think, amount to 4,000,000 *l.* of money. If the Government of India, not having to pay these rupees in India, were with those rupees to pay off the rupee debt in India, they would then transfer their debt from a rupee debt in India to a sterling debt in this country. The relief they would get would be only temporary, because they would have in time to come to send the money home to pay the interest.

649. The difficulty would not be avoided by raising what is called a sterling loan in this country, because the interest on that would be paid in the same way?—Yes; the money must come from India to pay it.

650. That does not avoid the difficulty, it only postpones it?—That is all.

651. Have you any idea as to the amount that has been raised by these debentures?—I should think a motion in Parliament would probably produce the figures. There used to be, I remember, when I was in the House, an account laid before Parliament every year, a series of accounts, showing the amount which the Secretary of State was authorised to raise under existing powers. For instance, I believe when the Government was transferred there was a sort of general credit given to borrow money, to the extent of 2,000,000 *l.*, in the event of the Government at any time being in difficulty. There was authority given, not more than four or five years ago, to borrow money generally, for 8,000,000 *l.*, of which one-half was ear-marked for the state railways; and I think authority was also given to the Indian Government to raise money for the relief of the famine. There is a popular impression that the Government here is, in point of fact, living upon those unexhausted credits at the present time.

Lord *George Hamilton.*

652. In your answers to Mr. Fawcett, as regards the debentures, of course you assume the rate of exchange would remain the same?—I assume that there would be a very adverse exchange, as at present.

Lord *George Hamilton*—continued.

653. I mean as regards the debentures; of course, raising the debentures is simply a temporary relief?—That depends upon the length of time the debenture has to run.

654. It might so happen, if the rate of exchange rose afterwards, that it might be a saving?—It might; on the other hand it might not; it might become worse.

Mr. *Fawcett.*

655. If silver became more depreciated it would increase the difficulty?—Yes.

Mr. *Christopher Beckett Denison.*

656. To go to another point, do you know in what form the eight or nine millions of money received by the Indian Government for their opium is received?—The Indian Government derive their opium revenue in two different ways. In Bengal, the produce of Patna and Behar is sold at public auction, and the money is paid for it in rupees. The produce of Malwa, which is a foreign state, is only allowed to come through the Bombay Presidency for export upon payment of a pass duty, that pass duty being about the equivalent of the profit that the Government realises in the case of the Bengal.

657. The last witness says that for a long series of years there had always been large remittances of the precious metals from China to India, but he had never known an instance of its being the other way; of the exportation of the precious metals from India to China; would that be your experience?—Quite so. I should say a great deal of the proceeds of the opium which is sent from India to China, belonging to private merchants, comes back in the form of silver, at least it used in my time; the remainder went to provide the funds with which the American trade with China was carried on to a great extent.

Mr. *Mulholland.*

658. When you allude to the diminished amount of imports and exports in the Indian trade, do you mean since March last year?—No, I am speaking of it generally. I am speaking rather of the diminished values received here for the same quantities of goods.

659. According to the returns, the trade up to the 31st of March last year showed no diminution whatever, but rather an increase?—Do you mean the export of goods from this country?

660. No, the imports into India?—That is the same thing.

661. They were larger than they had ever been before for ten years with the exception of one year?—They are going on very largely now, taking the export of Manchester manufactured goods.

662. The exports to India were larger than they had been for ten years except in one year?—They may have been larger, and they may not have produced an equivalent amount in India.

663. The diminution was in the value, not in the volume?—I should say so.

664. With respect to the effect on the price of silver, I believe that the imports of silver into India during the year ended March last were rather larger than usual; they were larger than they had been?—You mean into India generally, and from all quarters?

665. Yes?—

Mr. *R. W. Crawford.*

30 March 1876.

Mr. *Mulholland*—continued.

665. Yes?—There may have been a very large quantity from China in return for opium.

666. I thought you spoke of the whole trade of India; I am not exactly aware of what question you may be referring to, but I probably had in my mind the trade between this country and India alone.

667. The imports of the precious metals into India in the year ending the 31st of March last, were 8,140,000 *l.* against 5,790,000 *l.* the previous year, and 4,550,000 *l.* the year before that, so that no effect on the silver market could have been produced by the dulness of the Indian trade?—The exchange did not fall materially at all before March last year; it began to fall about that time.

668. The increase in the Treasury bills seems to be the effect of the change in the current of the railways; the four millions a year that used to go from this country to India has now been replaced by five millions a year going back for interest, so that that makes a difference of nine millions a year?—The one paid the other.

Lord *George Hamilton.*

669. The company of which you are chairman is, I believe, a very prosperous one, and has for the past few years paid surplus profits?—Yes.

670. The more Indian railways pay the greater will be the amount that will have to be remitted here?—Exactly so, in the shape of surplus profits.

671. Therefore, although the Treasury in India will pay less on account of guaranteed interest, yet the actual amount of remittances in one shape or another made from India here will be greater?—Provided the companies progress in prosperity.

Chairman.

672. In fact an immense progress in the receipts of the railways would have the effect of complicating the situation as regards remittances?—The effect of greater prosperity in the railways would be that more money would have to be drawn to this country, the shareholders being all here.

Mr. *Cave.*

673. You said that the laws in this country affect the import of sugar from India here; what do you mean by that?—The honourable Member and myself were members of a Committee of this House some few years ago; I forget the year; it is most distinctly in my recollection that in consequence of the legislation which ensued after that Committee sat, the export trade of India in sugar was very seriously affected.

674. Then you do not mean late legislation, because now, of course, there is no duty on sugar from any part, or do you refer to the French drawbacks?—That is a very large question, and if we were to go into the whole French question, it might last till the Day of Judgment.

Mr. *Mulholland.*

675. Do you think the cessation of Government expenditure on railways has much to do with the present balance of trade in India?—I am not aware that the Government expenditure has ceased to any very great extent. Put it the other way, the construction of railways has been of enormous value to the country.

676. The withdrawal of the stimulus has something to do with the present state of things?—To a certain extent. The money went principally in wages to persons who consumed very little beyond their food, and who were used to but a scanty amount of clothing.

Thursday, 6th April 1876.

MEMBERS PRESENT:

Mr. Baxter.	Mr. Hermon.
Mr. Cave.	Mr. Kirkman Hodgson.
Mr. Christopher Beckett Denison.	Mr. Massey.
Mr. Fawcett.	Sir Charles Mills.
Mr. Goschen.	Mr. Mulholland.
Lord George Hamilton.	Mr. Shaw.

THE RIGHT HONOURABLE GEORGE JOACHIM GOSCHEN, IN THE CHAIR.

Mr. HENRY WATERFIELD, re-called; and further Examined.

Mr. *H. Waterfield.*
6 April 1876.

Chairman.

677. I BELIEVE you are at the head of the Statistics and Commerce Department of the India Office?—Yes.

678. You have had papers examined in the office, which have been presented to Parliament, relating to the production and amount of gold and silver?—I have.

679. You have drawn out from them, the reports from Consul Booker of the trade of California in the year 1871?—Yes; and for 1872 and 1873; Mr. Pakenham, on the commerce of the United States, in 1873; Consul General Archibald, on the trade of New York in 1873; and Mr. Watson's Report on the finances of the United States for 1874; I have also taken from the Board of Trade statements the registered imports of silver coin and bullion from the United States into the United Kingdom.

680. Will you put those Papers in?—Yes (vide *Appendix*).

681. You have also extracts from the general Report of Mr. Bunch on the United States of Columbia in 1873 and 1874?—I have.

682. You have also extracts from a Report by Mr. Plunkett on the Mines of Japan, presented to Parliament?—I have (vide *Appendix*).

683. You have also extracts from statistics concerning the Territory of Utah, for 1872–73, by Mr. Bentham Fabian?—I have.

684. You have also prepared an extract from the "San Francisco Journal of Commerce and Price Current" of the 12th of January 1876, which gives a report and annual statement of the precious metals by the superintendent of the Express Company?—Wells, Fargo & Co. are the Express Company, and the Report of their superintendent, Mr. John J. Valentine, is quoted; but the whole newspaper seems to contain more than that; it is a compilation made by the editors of the paper of all the particulars which they could obtain on the subject of the movement of metals in San Francisco in the last year.

Chairman—continued.

685. It is an elaborate Table, apparently carefully prepared?—It is carefully prepared. There were evidently some misprints of figures, which I have corrected as far as I was able; but in some cases I have been obliged to put notes, to show that the totals are incorrect.

686. You have looked at the totals and examined them, as far as you have been able?—Yes.

687. I think you have also, at my request, compared the various statistics which have been put in with regard to the exports of gold and silver to the East?—I have, as shown in the three circulars which you placed at my disposal; Mr. De Quetteville's Indian Circular, Messrs. Pixley and Abell's Table of the Fluctuation in the Price of Silver, and Messrs. Page and Gwyther's Comparative Statement of the 10 Years' Export of Bullion and Sovereigns to the East; and I have added to that a comparison with the statistical abstracts for the United Kingdom presented to Parliament (vide *Appendix*).

688. You have brought together in this Table, for the convenience of the Committee, all the statistics that have been placed before us from various sources, in order to see how far they tally, or how the differences can be explained?—So far as they relate to the exports to the East. There are two other papers which I have extracted; one is from the Report of Dr. Linderman, the Director of the Mint of the United States; the other is from the Biennial Report of Mr. Whitehill, the State Mineralogist of the State of Nevada, for the years 1873 and 1874.

689. Those Reports give details, do they not, with regard to the coinage in the United States, and with regard to the movement of the precious metals?—Mr. Whitehill's Report gives details with regard to the production of silver rather than the coinage; the Report of the Director of the Mint goes into coinage statistics.

Mr. GUSTAVUS PIETSCH, called in; and Examined.

Mr. *G. Pietsch.* 6 April 1876.

Chairman.

690. YOU are the Manager of the London branch of the Deutche Bank?—Yes.

691. Will you state the nature of the establishment in Berlin?—We are a German Joint Stock Bank; the head office is in Berlin, with various branches in Hamburg, Bremen, London, and formerly in the East, but the eastern branches we have given up. The nature of the business is common banking, exchange business, discount, loans, bullion, and so forth.

692. The branch in England, which is under your management, has conducted, has it not, the sale of a portion of the silver which has been sold by the German Government?—Yes; we have sold it.

693. The sale was placed in the hands of the Bank at Berlin, and you acted for them in London?—Yes.

694. As far as you know, has a large portion of the silver passed through your hands?—Yes; the amount which has passed through my own hands is very nearly 3,000,000 *l.* in two years.

695. Have you given your attention to the subject of the depreciation in the price of silver?—Yes, I have.

696. Have you studied it, even before you had the sale of silver?—Yes. I may mention here, that in former years I was office manager of Rothschild's in Paris, and subsequently the chief agent of the Comptoir d'Escompte; and I have spent many years in India, France, and England, and I am intimately acquainted with bullion operations, exchange, and everything relating to it.

697. You studied them both in England, France, Germany, and India?—I left Germany very early; chiefly in England, France, and India and China.

698. Have you examined the official statistics presented by the German Government with regard to the calling in of silver?—I have.

699. Can you state to the Committee the original amount coined?—Yes, I can. I will state the amounts in sterling in round numbers; everything under 500,000 *l.* I will omit, and over 500,000 *l.* I count for 1,000,000 *l.* The total amount of coin, that is to say, old coins which had been coined by the separate States up to the end of 1873, amounts to 90,000,000 *l.* sterling.

700. The coinage of the thalers included in that statement began in the year 1750, did it not?—Yes; of course everyone knows the confusion of coin in Germany was great; but, in order to simplify the matter, I am simply speaking of the leading coins, the thaler and florins. The thaler formed by far the greatest quantity. The quantity of thalers coined up to the end of 1873, that is to say, the quantity coined of all those coins which were in circulation at the end of 1873, amounted to 74,000,000 *l.* sterling. Next come the florins; that is the South German currency. They amounted to 10,000,000 *l.* sterling; that is the bulk.

701. The coinage of florins did not commence as early as the coinage of thalers?—No, it extended over about 40 years; 1837 to 1873. The next is in Hamburg and Lubeck. We had a silver currency known under the name of marks

Chairman—continued.

current; that was very little; that was 1,000,000 *l.*, or a trifle more. Besides the thalers and florins and the marks current, we have the fractional currency of Germany, the groschen and the kreutzer, representing 4,000,000 *l.* sterling; consequently, if you add together 74,000,000 *l.* of thalers, and 10,000,000 *l.* of florins, 1,000,000 *l.* of marks current, and 4,000,000 *l.* of fractional currency, you will find it amounts to within a fraction of 90,000,000 *l.* sterling.

702. That is the figure which has been coined in Germany, and which would be in circulation, less the amounts which may have been melted down, or lost, during the period from 1750 to the year 1873?—Yes; it does not represent the total quantity of German coins coined, but it represents the quantity coined of those coins of which any was left in circulation at the end of 1873.

703. Have you studied the question as to how much of the original amount may have disappeared in the course of time, and how much may actually remain in circulation?—Yes, I have. I may mention here, that about two or three years ago, when the subject was first spoken about, there was a very exaggerated idea of the amount which would ultimately remain for sale, and that has given rise subsequently to a great depression of the silver market; it was stated that out of 90,000,000 *l.* coined, about one-third had been lost, and 60,000,000 *l.* remained in circulation, out of which 20,000,000 *l.* would be required for the new coins; and it was supposed that 40,000,000 *l.* would remain for sale; some people spoke of 50,000,000 *l.*

704. How have you tested those figures?—Since then the withdrawal of the old coins has made progress, and I have examined the official returns which have been submitted to the German Reichstag. We know already, to some extent, how much has disappeared.

705. They have commenced, have they not, calling in the florins?—They commenced with calling in the florins, and, as far as the official accounts go, we know already that one-third has disappeared from circulation by having been melted down, exported, and so forth. I thought you would ask me the question, and I have brought the official papers which have been submitted to the German Parliament, but they are in German. If anyone will compare them, they will find that my figures are the official figures submitted to the German Parliament.

706. Is the operation, so far as the florins are concerned, fairly complete?—Yes, almost entirely complete.

707. The German Parliament has been able by that to ascertain how much has disappeared of the total coinage of florins?—Yes; that is to say, in the last Return submitted to the Parliament they speak of a certain series of florins. The florins have been almost entirely withdrawn. The accounts are not yet quite complete, but as far as they go, the one-third has disappeared; 32 per cent. is the exact amount.

708. Will you recall to the Committee the date at which the florins commenced to be coined?—I have also the official Returns with me which I can

Chairman—continued.

I can submit to you, from which it appears that they were coined from 1837 to 1873; everything comes to the end of 1873; that is the time when the old system came to an end.

709. So far as florins are concerned, the estimate of which you speak, that one-third has disappeared, would be correct?—Yes.

710. Will you state your views as regards the thalers; has the retirement of the thalers proceeded as far?—No; the thalers have only been partially retired; and in order to render myself an account of the probable result I have looked into the figures, or into the particulars given, of the coinage of the thalers; and I find that the coinage began in 1750 up to the end of 1873; and consequently it extends over a period of 123 years.

711. While the florins only extended over a period of 40 years?—Yes, and consequently, reasoning by analogy, I believe that if in 40 years the one-third part has disappeared, at the end of a century the whole quantity ought to have disappeared. But we can admit that some remain, because the whole quantity had not been coined 100 years ago; that is just a difficult question to decide, and no one can tell how many thalers really remain in circulation before the operation is terminated.

712. Before you proceed to give us your reasons as to the disappearance, will you state what has hitherto been done in the retirement of the thalers; it has consisted hitherto mainly of two-thaler pieces, has it not?—Yes; the quantity of thalers retired, so far represents in English money, about 7,500,000*l.*; and all that I take from the official Returns.

713. What causes would you state as having affected the disappearance of a certain number of the thalers between 1750 and 1873?—Here I may state that at first, when I heard that the quantity remaining in circulation was much less than it was at first anticipated, I was very much surprised; and I could not render myself an account; but, however, in thinking the matter over I believe the reasons why such a great quantity has disappeared are the following: in the first instance during the last century a great many wars have taken place in Germany.

714. During the latter part of the last half century?—1750 was the time of the Seven Years' War, and subsequently we have had the French wars, the invasions of Napoleon, and it is a well-known fact that during the invasions of the French very large amounts were abstracted by contributions, by pillage and by indemnities, because the French always followed the system of letting the vanquished countries pay for the expense of maintaining the armies, and I have often heard, for instance, when Berlin was occupied by Napoleon in 1806, that very heavy war contributions were levied; I am not in a position to say exactly how much that may amount to, but there is not the least doubt that the amounts were very considerable; it is an historical fact.

715. You think a certain amount of that was carried away out of Germany?—I think so certainly; that is one reason; then the next reason is that it is also a well-known fact that a very large quantity was melted down and exported as a bullion and exchange operation.

716. At one particular time, do you mean?—No, at various periods. It is a well-known fact that whenever here in London an Indian demand created an inquiry for silver, the stock of bar silver in the Bank of Hamburg diminished, and any bullion seller can tell you that; that at various times silver arrived in London from Germany; in point of fact it is the same in every country, in France, England, and Germany, whenever there is a small profit, coin is exported.

Chairman—continued.

717. Do you mean that besides bar silver coming from Hamburg, coin has come from Hamburg?—I think so, because when you look through the import lists in London you find that in a certain number of years a large quantity has arrived, and it is a matter of course that part must have consisted of coin melted down, because the stock of silver bars in Germany could not have supplied the total quantity.

718. Can you put in a Statement of silver imported into London from Germany, and exported from London into Germany during a certain period?—Yes; I have been looking through the lists, and I find the Custom House returns are not very reliable. I have reason to think that gold sometimes may be declared for silver, the freight being paid on the value; but I have been looking through many of them, and I find the Tables prepared by Messrs. Pixley & Abell, the well-known bullion brokers, are the most reliable; at any rate, they particularise the silver arriving from the Hanse Towns in a certain given period, but they do not go back beyond 1861. I find that, according to their Tables, from 1861 to 1875 about 10 millions arrived from Germany; part of this 10 millions must have consisted of bars, being the proceeds of coin melted down, because the stock of bars was not large enough to supply the quantity.

719. How much has gone from London to the Hanse Towns in the same period?—In the same time a larger quantity has gone, and that would apparently prove that during that time the quantity of silver in Germany has increased; that during the same time 12 millions went from here to Germany; part of these 12 millions were, no doubt, converted into coin in Germany. In calculating the total amount of coin in existence in Germany, we must not add these 12 millions. Whatever was coined of this 12 millions there is no evidence to show, but, whatever it is, it must not be added to the total quantity of coins coined, because that is included in the 90 millions of which I have spoken before.

720. But a portion of the silver which came back from the Hanse Towns, you consider would be the result of coin which has been melted down?—Yes, I have not the least doubt about it, because I have been engaged in operations of that kind myself.

721. Was not one of the public reasons assigned by the German Government for the steps they have taken in demonetising silver, that their coinage suffered when there was a demand for silver from India?—That I really cannot say.

722. When the prices for silver were higher elsewhere than in Germany the German coin would be melted down and exported in bar silver?—Naturally.

723. And so far as that operation has been carried on since the Germans have begun to coin, so far deductions must be made from that stock of dollars which might be assumed to be in existence if no such operations had taken place?—Quite so.

Mr. *G. Pietsch.*

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Chairman—continued.

724. Are you able to put in detailed lists of exchange variations which would show that such operations could be performed with profit?—Yes; I thought you would ask me the question, but the time was a little too short to prepare a list; I shall be most happy to supply it. I will prepare a list showing the value of sterling exchange in Germany as compared with the silver price in London, and there you will see that practically there was a profit on the operation of melting down the German coin and importing it to London.

725. Can you state any other cause for diminishing the total amount of silver in circulation?—Yes; it is also well known that a great quantity was melted down for private purposes; being converted into plate, spoons, and forks. In South Germany, where they are Catholics, a great many church ornaments were made.

726. Can you say positively that such operations have taken place?—Yes, I know that from my own experience.

727. That ornaments would not only be manufactured from bar silver exported, but occasionally they would melt down coin?—Yes, I know it as a fact.

728. Is that recently, or do you know it as an historical fact?—I believe it has been going on; I am not in a position to say at what particular time it may have occurred, but it has always been going on.

729. Are there any other causes for the diminution of the circulation?—Yes. We now come to the balance of trade in Germany, and it is also well known that the balance of trade was against Germany during many years. The balance of trade itself does not decide the question. We must take the balance of international indebtedness. Even if we take into account that Germany has to receive every year the very large amounts for interest on foreign stocks which she holds, such as American stocks, it does not change the general balance of indebtedness in Germany's favour. We always find in looking through international accounts that according to all probability Germany must have paid certain amounts of importance for the purpose of settling her international indebtedness. How much that may be it is very difficult to say, because the German statistics as to export and import are very imperfect; but it is a well-known fact that the balance is against Germany, and how could she settle her indebtedness without losing part of her metallic currency? I believe that is a reason which may be given; I have not heard it mentioned before.

730. This cause would surely be practically the same as that which you have mentioned in another form, the export of bullion operations?—Yes, it is the same thing. It is an operation which may have been carried on by bankers and bullion dealers for the purpose of realising a profit, and the coin may have been exported by people owing money to foreign parts and having no other means of remittance.

731. It would never be profitable to undertake exchange operations except at that time the exchange were unfavourable in consequence of there being payments to make?—Quite so.

732. Is there any other cause?—Not that I can think of just now.

Chairman—continued.

733. There is the subject of emigration?—Yes; it is a well-known fact that emigration has been going on from Germany to America for many years, and the number of people who have emigrated is very great, consisting chiefly of agricultural labourers and peasants. I believe, from what I have seen myself when I was in New York, seeing the Germans arrive, that they all have a little money in their pocket. Common people have no idea of transmitting money by letters of credit or bills of exchange; each of them carries away a few dollars or florins in his pocket, and consequently we may presume that many millions have disappeared in that way, though I have no statistics of emigration just now at my disposal to show how much that may be.

734. This emigration has been going on for many years?—Yes. I recollect when I was a young man they were emigrating in great numbers.

735. When in New York you positively knew that a certain amount of silver coin was brought with them by the emigrants?—Yes.

736. How do you sum up your estimate? What result do you consider these causes may have had in diminishing the amount of silver in circulation in Germany?—As regards the florins I have already said that one-third has disappeared. From all these various causes, I have arrived at the conclusion that more than half of the thalers must have disappeared. I am confirmed in my opinion by the fact that in official quarters in Berlin they always say it is much more than one-half has disappeared. They estimate at from three-fifths to two-thirds. We must take into account that they have much more detailed accounts than I possess. They know how much has been coined of each series in each year, and they can make comparisons between the quantities originally coined of certain years and the thalers retired.

737. Are they withdrawing them by series?—Yes. They begin with the oldest first. They began with the very old thalers, and with the fractional currency. The thalers which remain in circulation are thaler pieces which pass for three marks; consequently those thalers as long as they circulate represent three marks or three shillings, and one-third of those thalers represent 1 *s.* one mark. So they have done away with all the old coin and fractional currency, and they have kept the thaler pieces and fractional thaler pieces. Knowing how much has been coined of those coins they can make comparisons, and though they do not give any particulars they always say that the amount disappeared is as I have stated. Consequently I believe we are justified in supposing that out of the total quantity coined three-fifths have disappeared; but that is a thing which is quite an approximation—it may be more or less; in official quarters they pretend it is more.

738. The broad result of your argument is that the thalers having been coined very much longer than the florins, and the florins showing by the actual result that one-third has disappeared, you may assume that considerably more has disappeared of the thalers?—Yes. Besides that there are the Hanse Towns; it is immaterial how we estimate it. The total quantity of marks current was merely a million and a fraction. Out of that, supposing that one-third has disappeared, same as the florins, two-thirds would remain. Then

as

Chairman—continued.

as to the small coin, it is quite evident that a very large quantity has disappeared. Some of them were so old that travellers in Germany may have noticed it. They are so defaced that you cannot distinguish by whom they were issued. Out of 4,000,000 one-half must have disappeared.

739. Calculating on the foregoing basis, taking the original amount of the old German silver currency as you have stated it, its diminution, and the balance remaining in circulation towards the end of 1873, what then is the broad result?—I find that out of an original amount of 90,000,000*l.* 51,000,000*l.* have disappeared, and consequently 39,000,000*l.* is the probable amount actually remaining in circulation at the end of 1873, when the monetary reform began.

740. What is the quantity of fine silver contained in this sum of 39,000,000*l.*?—Of course, in order to know how much silver there will be available for sale, we must bear in mind that the surplus of 39,000,000*l.* is a nominal value, and that the German silver coins consist mostly of silver 900/1000 fine—or nine-tenths. The thalers consist partly of old thalers and of new thalers, and the old thalers contain 750/1000 parts of fine silver, and the new thalers contain 900/1000 parts. Then the florins contain also 900/1000 parts fine and the marks current are 900/1000 parts fine.

741. I see by a Paper you have given to me that you estimate the 39,000,000 *l.* to be thus composed: Thalers, 29,700,000*l.*; florins, 6,800,000*l.*, Hanse Towns currency, 800,000*l.*, and small coin, 2,000,000*l.* What sum would the 29,700,000*l.* worth of thalers yield on your estimate?—They would yield 26,000,000*l.*, as far as can be calculated.

742. And the 6,800,000*l.* worth of florins?—They are 900/1000 parts fine, and they would yield 6,100,000*l.*

743. And the 800,000*l.* worth of Hanse Towns currency?—They are 900/1000 fine, and that would represent in round numbers 700,000*l.*

744. And the 2,000,000*l.* worth of small coin?—They are quite of low metallic value; they contain on an average not more than one-third of pure silver; that would make consequently about 700,000*l.*

745. How much would your 39,000,000*l.* yield in actual pure silver?—£. 33,500,000.

746. Your view is that the amount actually to be dealt with in Germany was 33,500,000*l.* of pure silver?—Yes.

747. How much of that will be absorbed by the new Imperial silver coin?—So far it has been decided that the new Imperial silver coins are to be coins at the rate of 10*s.* a head for a population of 42,000,000; that would consequently be 21,000,000*l.* The new coins are also 900/1000 parts fine, and consequently these 21,000,000*l.* would represent 18,900,000*l.* of pure silver. I may mention here that it strikes me that is somewhat low, and that ultimately they may find the necessity to coin more; consequently the amount may be more than I have stated, but, for the present, it is the intention to coin at the rate of 10*s.* a head.

748. Your figures give the surplus of pure silver, how much?—£. 14,600,000.

749. That is equal to English standard fineness?—The English standard fineness of silver is 37/40; that makes the English standard silver 15,800,000*l.*

Chairman—continued.

750. How many sales have been effected up to the present time?—According to the Parliamentary Returns I have got they have sold to the end of September an amount which is equal to 5,000,000*l.*, and since then there are no official returns; but reasoning from what has occurred before, we may say that no more than perhaps one to two millions have since been sold; the total sales up to dates may be estimated at from six to seven millions; that is a guess; it is an amount which I cannot say exactly; I only know that up to the end of September five millions were sold, but it is almost certain no very large quantity has been sold since; it cannot be more than two millions.

751. According to your calculation there would remain to be sold about nine or ten millions sterling?—Nine millions; I rather think it is somewhat less, because I have not taken into account the loss of weight which would arise from wear and tear, and from my experience I find that silver coins in 25 years diminish at least by one-half per cent., especially the small coins, which diminish quicker than the large ones, because the whole surface is touched with the finger.

752. In what coins would what remains over mainly consist?—They consist of thalers and fractional thalers; all the rest has disappeared.

753. What is the actual stock on hand available for sale at present?—That has only lately been obtained; I always urged upon the German Government the advisableness of seeing how much there was; I think it would have been much better for the silver market; however, we never knew anything; so far the German papers contain every week the amount of old coin withdrawn, the amount of new coin coined, and now for the first time they have given us the stock which is available for sale; of course there is a certain stock which is intended for coining purposes, and then there is a stock available for sale; according to the latest letters which I have received it is 850,000*l.*, so that that is very little.

754. I presume that an addition is made to that almost every day or every week?—Yes.

755. Through the thalers that are presented?—Yes; the withdrawals are going on rapidly, and there is a great desire to bring the whole operation to a rapid close, but it cannot be very much accelerated, because they cannot withdraw the old coins before they have coined a sufficient quantity of new coins to replace them, and that is a gigantic thing. They have coined almost a sufficient quantity of gold; but as regards the coining of silver and copper coins it is something enormous, and it may extend over some years, on account of the limited minting capacity of the German mints; and consequently the withdrawal of the old coins can only be effected slowly.

756. Can you put in a statement of the old German silver coin retired from circulation up to the end of February 1876, as appears in the official statement published in the German newspapers?—Yes; the total amount up to the end of February, that is the last Return, was 19,800,000*l.*

757. And of new German silver coins that have been made up to the 18th of March 1876?—£. 9,800,000.

Mr. *G. Pietsch.*

6 April 1876.

Chairman—continued.

758. The total amount of new German silver coin to be coined you have stated at 21,000,000 *l.*?—Yes.

759. £. 9,800,000 has been coined?—Yes.

760. How much does there remain to be coined?—£. 11,200,000; so that the operation of coining the new silver coin is about half completed.

761. How long have they been coining that 10,000,000 *l.*, in round numbers, which has been coined already?—I think they began a little more than two years ago.

762. Have they been able to accelerate the process latterly?—Yes; there is one new mint in Hamburgh now; I think there are in all six or seven. The operation is a little impeded by the necessity of melting down the old thalers; their melting capacity also is limited. I may mention that the thalers intended for sale must be melted down and refined to be fit for the Indian market; their melting and refining capacity is limited. Those are reasons why the operation goes on so slowly.

763. Can you give the Committee any information as to the Austrian thalers?—Yes.

764. The Austrian thalers have not been included in the 90,000,000 *l.* of which you spoke?—No; the 90,000,000 *l.* are German coins, properly speaking.

765. A portion of those Austrian thalers circulate in Germany as a legal tender?—So they do; that is in consequence of the monetary convention which was passed between the German States and Austria in 1857. The object of the monetary convention was to assimilate as much as possible the silver currencies of the two countries, and Austrian florins were then admitted as a legal tender in Germany.

766. I presume, as they have a large paper currency in Austria, a large quantity of those Austrian thalers found their way from Austria into Germany?—Quite so; they are circulating very freely.

767. What is the amount coined up to 1867?—Four and a half millions sterling.

768. It is possible, is it not, that the German Government may ultimately have to deal with them to a certain extent?—Yes, it is very probable.

769. In that case you would have to add some millions to the amount of silver which would be set free by the coinage operations of the German Government?—Yes.

Mr. *Fawcett.*

770. You have referred to several causes which account for the diminution of the German silver coinage, such, for instance, as the balance of trade, or, as you describe it, the balance of international indebtedness, and also emigrants taking away silver; when gold is substituted for silver, those amounts which used to be paid in silver would of course have to be paid in gold?—Yes, I daresay.

771. Have you made any estimate of the amount of silver which has been exported from Germany, and of the amount that has been taken by emigrants?—No, I have not had an opportunity.

772. Whatever the amount was, supposing, we will say, it was 2,000,000 *l.* sterling a year, for the sake of example, if gold takes the place of that, that would represent so much less demand for silver?—Yes.

Mr. *Fawcett*—continued.

773. Have you calculated how much silver would maintain the German coinage, and supply the other wants of Germany for silver; how much she annually required before the demonetisation scheme commenced; how much she requires for various purposes to keep up her coinage, and in the aggregate; you said you could not give me the particular items, but can you tell me how much silver Germany actually required to keep up her coinage before the demonetisation scheme commenced, and to adjust the balance of trade?—No, I could not tell you that.

774. It is evident, looking at the effect of this demonetisation scheme on the future price or value of silver, that we have not only to consider the amount of silver which would be actually brought into the market, which you have been selling, but also this very important fact, that in future the demands of Germany for silver, or her want of silver, will be very much less than it was before?—Yes, certainly; but how much those requirements will be in the future, I am not prepared to say just now. Of course a limited quantity will be required.

775. Therefore, as far as Germany's change of policy affects the future value of silver, you may say two causes are in operation, one of them a temporary one, namely, that she is throwing a certain amount of surplus silver into the market; another cause will be permanent and lasting in its operation, namely, that she would require less silver than she required before?—Yes.

776. I understand you, that the depreciation in the value of silver had been partly due to an exaggerated estimate of the amount of silver which Germany had thrown into the market?—To a certain extent; but as regards the depreciation of silver there are three causes, in my opinion.

777. Will you state them?—The first is, that the Continental markets are now to a great extent practically closed against silver; the second is the increase in the production in America; and the third is the diminished requirements for India. Let us examine that in detail. First, why are the Continental markets closed? Because Germany has demonetised silver, and Holland and the Scandinavian kingdoms have done the same. The Latin States, France, Belgium, and so on, have been compelled to limit first, and then to cease coining silver altogether. Secondly, there are almost no European countries where you can get rid of any silver. Very little is required in England, perhaps a million a year, two millions for Spain, a million for Austria, and, perhaps, a little for Russia; I cannot say. That is the state of Europe. Now we come to America. I daresay the Committee have all the information about America, otherwise I could give you the American statistics. The collection of statistics I have made quite agrees with the figures published in the papers which you have received. With regard to the third cause, that is the diminished inquiry for India, that is caused by the increase of Council drafts, and the diminution in the value of produce. People have remittances

Mr. *Fawcett*—continued.

mittances to make to India, and if they can get Council drafts, they will not buy silver.

778. Therefore, I understand your opinion to be this: that although the exaggerated estimate of the amount of silver to be thrown into the market may have somewhat added to the depreciation of silver, yet you think two very powerful series of causes have been in operation to depreciate silver, namely, that there has been a great falling-off in the Eastern demand for silver, and that has been accompanied by an increase in the supply?—Quite so.

779. With regard to the increase of supply, of course that depends upon uncertain circumstances as to the yield of mines, of which it is impossible to make a contradiction?—Yes.

780. But with regard to the demand, do you, or do you not, think that many of those causes which you have enumerated as diminishing the demand for silver in Europe, and in India, are permanent in their operation?—One is permanent, and one is not. The permanent cause is the administrative requirements of the India Office. They now draw 16,000,000 *l.* instead of 10,000,000 *l.* That is a matter I cannot speak about. I suppose it is a matter of necessity, and I suppose that that will be permanent, but as regards the diminished inquiry resulting from a fall in the value of produce, that is not a permanent cause. We have had bad years, and we shall have good years. With increasing shipments, or rather with a rise in the value of produce, there will be a greater inquiry.

781. With regard to Europe, the fact that so many European countries are using less silver in their coinage, and, therefore, require less silver for the various purposes discharged by money, is a permanent cause?—It may be, and it may not be. It is not altogether permanent. If the German silver could be disposed of, I believe, for instance, that France would maintain the double standard and employ a certain quantity of silver. Of course, if France and the Latin States adopt a pure gold standard, then the depreciation of silver, as far as that goes, would be permanent. That is a thing which we do not know. So far the French are evidently waiting. They are not yet prepared for the pure gold standard. They have merely ceased the coining of silver, but if they find that the supply does not increase, they may probably keep the double standard.

Chairman.

782. That is a speculative opinion of your own?—That is a speculative opinion of my own, but I am quite convinced that they cannot adopt the pure gold standard, because they cannot get rid of their silver. There is no buyer for it.

Mr. *Christopher Beckett Denison.*

783. You seem to think that there is something artificial and unnatural in the state of matters between India and this country; will you explain a little what you have in your mind there?—I did not mean to say that there was something artificial.

784. You said, that so long as the Council of India sold drafts at a very cheap rate, there would be no temptation to remove silver?—The depreciation of the sterling exchange in India and the depreciation of silver are the same thing. These are two different methods of expressing the value of silver. The sterling exchange expresses the value of the rupee, that is, of a given quantity of silver, whilst the quotation in London expresses the value of silver per ounce. The two things are the same. Consequently, the value of the exchange, or of silver, is affected by the quantity of drafts put on the market by the India Office here.

Mr. *C. B. Denison*—continued.

785. Supposing that the rate of exchange was such as to make it more advantageous to the Council of India to import silver into this country, that would not remedy matters at all, would it?—No; of course if they did not draw, and had to receive money from India they would have to import and sell the silver, but in point of fact there is no import of silver; they sell the bills to people who remit them again to India, and consequently it is no export of silver; it is merely a change of hands; the Government pay it in India to the holders of the bills, and the returns are made in produce.

Chairman.

786. But the result is that silver has not to be sent which otherwise would have to be sent?—Yes.

Mr. *Kirkman Hodgson.*

787. Have you any idea of the quantity of silver which has been sent to Russia?—No, I have not; I have written about it, but have not received a reply; I do not think it can be much.

788. Does not that seem to be one of the countries in which something might be done?—Evidently Russia and Austria have turned their attention to gold, and it is very questionable whether they will take silver.

789. You do not look for much relief from that quarter?—I am sure I cannot say; they are not in a position to resume specie payment for a long time to come, I believe.

Lord *George Hamilton.*

790. As far as I can gather from your evidence, you have come to these conclusions; that at present the German Government have about 850,000 *l.* worth of silver for sale?—Yes.

791. That they will ultimately have about nine millions?—Yes.

792. But that they will not have that sum until they have completed their coinage operations?—Yes.

793. And that half the process of coining is completed?—Yes.

794. How long do you estimate it will be before the whole process is completed?—I cannot tell you, because that depends on the minting capacity of the German mints, and what they have to do now is much more difficult; they had chiefly to coin gold in the first two years, and of course the coining of gold goes on much quicker than the coinage of silver or copper; there is an immense quantity of small coin to be coined, and I cannot tell you how many years that will take.

795. You could not give even an estimate?—Not to-day; I can get you the information, if you wish it; I can inquire and get it, no doubt, but I do not know now.

Mr. *G. Pietsch.*

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Sir *Charles Mills.*

796. Your bank has sold three millions in the course of two years?—I believe they have sold more, but I do not know exactly what they have done in Berlin; the amount which has gone through my hands is three millions; I could tell you how much in London and how much in India, if you like.

797. Has it principally gone to India?—The sales which we have effected in London are about one million in round numbers, and about two millions in the East.

798. Have you any idea where the other four millions which has been sold has gone?—I do not know, but as a matter of necessity it must have been sold on the Continent; I suppose France took it, and that a little went to Austria and a little to Russia; some of the silver we sold here found its way to India; one lot went to Belgium and one lot to Spain.

799. You gave us one of your reasons in estimating the decrease in the amount of silver, that a considerable amount had disappeared by removal to France during the wars?—Yes.

800. Would not a considerable amount be returned in the way of indemnity if it were paid by France to Germany?—Certainly; that leads us to the affair of the five milliards; I am scarcely in a position to say how that will be; it is a question I am not prepared just now to answer.

801. Are you aware whether any portion of that indemnity was paid in silver coin?—You mean the late indemnity?

802. Yes?—Yes; a great quantity was paid by bills on Hamburg; that is silver, and a great quantity was paid in five-franc pieces.

Chairman.

803. Was any portion of it paid in German coin, in actual silver German dollars?—No; I suppose not; I suppose as far as the payments were made in coin it was in French coin; I should imagine that the coin which left Germany during the first wars was not preserved in the shape of dollars; it must have been converted into French coin or melted; but as to that I cannot say. It is not likely that it should have returned in the same form.

Sir *Charles Mills.*

804. You estimate that a certain amount of coin had been melted down to make articles of luxury?—Yes, that I know from experience.

805. Would it not be cheaper to make them from the bar silver?—I really cannot say how that may be. I only know it is a fact, especially in South Germany, from friends who have told me that they have done it themselves.

Mr. *Hermon.*

806. You say that a good deal of the coin of Germany has been melted down for articles of luxury. Is there any seigniorage or cost at the mint for the coinage of silver?—I do not know.

Mr. *Hermon*—continued.

807. In England it is nearly 6 per cent., is it not?—Yes, or more.

808. If there is a charge of seigniorage for coining, that would seem to be an obstacle in the way of melting down coins, would it not, as compared with the bar silver?—Yes, of course. As regards the details of private operations, I am not in possession of any particulars. I merely state it as a well-known fact that it has taken place.

Mr. *Mulholland.*

809. A large portion of the smaller coins that were called in in Germany were melted down into bar silver, and sold in that shape, were they not?—Yes, producing very little silver.

810. I suppose that the sale of silver will go on gradually during the time required for the completion of the coinage?—Yes, the depreciation of silver has not been caused by the sales, because the sales are so far very small, comparatively speaking. In two or three years they have only sold 6,000,000 *l.* or 7,000,000 *l.* The sales were never pressed: on the contrary, we lost many an opportunity to sell by holding out for prices which were above the market: and I believe I may say that sales will go on in the same way, that is to say, with great moderation; it is by no means probable that at any given moment a large quantity of silver will be put in the market. It will be an operation which will be going on gradually for a certain number of years until the whole operation is completed.

811. With reference to the large import of silver into Germany previously to the demonetisation of silver, it was retained in Germany, there was no export and import of silver?—Yes, there was import and export continually, the same as between London and Paris. There is continually gold and silver coming and going according to the prices of the day, as they may be; the same as between here and America.

812. Have you any estimate of the annual amount required in Germany for purposes of ornament or luxury?—No, I have not.

Chairman.

813. If you have any bias either way, you look at the question rather as a seller than as a buyer, I presume?—Yes, of course.

814. Through your connexion with the German Government?—Yes; what I have stated here has not been dictated by a desire to maintain the price, by stating the quantity to be sold at less than it really will be; it is my conscientious conviction that it is as I have stated it.

Mr. Samuel Seldon, called in; and Examined.

Mr. *S. Seldon.*

Chairman.

815. I believe you are at the head of the Statistical Office in the Custom House?—Yes.

816. Will you state to the Committee what the amount of duty is on the import of foreign manufactured silver plate?—One shilling and sixpence an ounce.

817. Will you put in a statement of the number of ounces of foreign manufactured silver plate imported into the United Kingdom during the last ten years, also of the quantities on which duty was paid, and the amount of duty received, together with the rate of duty leviable to countervail the stamp duty on British plate?—Yes. (*The same was put in,* vide *Appendix.*) I may mention,

Chairman—continued.

Chairman—continued.

mention, I have just had time to procure these figures without preparing myself for any additional facts the Committee might wish to know; but if time were given me I could do so. You will observe that the imports are not identical with the quantities entered for home use. That would arise from various causes; for instance, you will see that in 1870-71 a large quantity of plate was imported on which no duty was paid. The French sent a quantity of silver plate here for safe custody.

818. A drawback is allowed on the re-export?—A drawback is allowed on the export of new British silver plate.

819. The highest amount in your table, I see, is 103,000 ounces in a year, that is the import?—Yes, that will be in the year 1871.

820. That would include a certain amount of plate imported for safe custody?—Simply warehoused, and afterwards re-exported from this country.

821. I see the largest amount of plate imported from abroad which has paid duty has been 76,000 ounces, paying a duty of 5,700 *l.*?—Yes. Perhaps it would be worth my mentioning that we cannot ascertain positively whether all that is foreign silver plate; it is just possible that some of it may be British silver plate which, when it was exported from this country, had not the benefit of the drawback, and therefore, when it was re-imported, would be regarded as foreign silver plate, and charged accordingly.

822. On the whole, the importation of foreign silver plate is exceedingly small?—Comparatively small.

823. You have also prepared an account of the quantities and declared value of British and foreign silver plate exported from the United Kingdom in each of the 10 years from 1866 to 1875?—Yes; I was not required to prepare it, but I thought it would be desirable information for the Committee. (*The same was put in*, vide *Appendix*.)

Sir *Charles Mills*.

824. That export of silver plate is of new plate?—Not necessarily. That on which drawback is received must be new British silver plate; but as a matter of fact, a large quantity of foreign silver plate is exported again from this country; therefore we should have two headings, one for the export of British silver plate, and the other for foreign silver plate previously imported into this country.

825. There is no drawback, except upon new silver plate?—Quite so.

Lord *George Hamilton*.

826. Is the excise duty on the British manufactured plate the same as the import duty on foreign manufactured plate?—Exactly; the one is framed with a view of countervailing the other. The stamp duty is 1 *s.* 6 *d.* an ounce, and in order that the British producer may not be at a disadvantage, as compared with the foreigner, we charge him 1 *s.* 6 *d.* an ounce for all he produces and sends here.

Mr. *Kirkman Hodgson*.

827. Do you recollect how long it is that the rule that foreign plate was to be broken has ceased?—It is so now; a merchant imports a quantity of foreign silver plate, or British silver plate, on which he has not previously received the drawback, and which, therefore, would be chargeable with an import duty. He says, "It is not worth my while to pay the duty, and, therefore, I elect to have it battered and entered as bullion, free of duty."

Mr. *Kirkman Hodgson*—continued.

828. He can bring it in if he chooses to pay the duty?—Yes.

829. On articles of curiosity, he would bring it in?—Yes. Very frequently British silver plate is sent abroad without the drawback being claimed; that is rather due probably to haste than to actual neglect, but sometimes we have plate sent abroad for approval. The exporters do not keep it long enough at the Custom House to have it examined; it is perhaps not approved, and is sent back again, but because they have not observed the due formalities of exportation it is charged on re-entry into the country.

Sir *Charles Mills*.

830. There is a duty on re-importation of British silver?—Yes, we regard it as an importation pure and simple without going into the question of whether it has been exported first. Unless the exporters take the trouble to clear the plate outwards so that it may be identified on its coming back again, we do not regard it in any other light than that of a fresh importation of plate.

831. I take it that all plate has to pay import duty?—It has. The Board, however, exercise a discretion, and on receipt of trustworthy evidence of exportation will sometimes waive the duty; but still that is the rule.

Mr. *Mulholland*.

832. Does electro-plate pay duty?—It does not; it is included under "manufactured goods."

Chairman.

833. Do you believe that this duty is checking the import of foreign plate?—That is plate of foreign manufacture?

834. Yes?—I should say not. I say so, because I argue from other countervailing duties, which do not act as a restriction upon the importation of goods liable to a similar rate of duty at home. Take the familiar instances of spirits and playing cards, which are pertinent to the case, I think.

835. Both the Customs duty and the Excise duty of 1 *s.* 6 *d.* an ounce, are very heavy on the value of silver?—I should not have thought it a very heavy duty on the value of the silver. Perhaps on such articles as silver spoons it may press heavily.

Mr. *Fawcett*.

836. I suppose taking the average of manufactured silver generally, it would sell for three times as much as the value of the silver, would it not?—I should say more than that.

837. So that, practically, what you have to consider, is not the duty of 1 *s.* 6 *d.* an ounce upon whatever silver may be worth, but four or five times that amount?—Precisely; the percentage of duty to the value of the article looked upon, for instance, as a work of art, would be very small indeed.

838. Looking at the value of the silver, it is

Mr. *S. Seldon.*

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Mr. *Fawcett*—continued.

not more than a duty of 4½*d.* an ounce, supposing its value were four times the amount of the silver?—Probably not.

839. That is, if you say the manufactured article is on an average worth four times as much?—I would not limit myself to that proportion of the value to the duty, because I should consider that works of art may be worth very much more.

840. I mean putting it as a minimum, it very much diminishes it?—Yes.

Mr. *Hermon.*

841. In answer to the Chairman, you said you did not think the 1*s.* 6*d.* duty checked the importation of foreign silver plate; do you mean spoons?—Yes; I mean all articles of manufacture.

Mr. *Hermon*—continued.

842. It does not check it, considering that we have a 1*s.* 6*d.* Excise duty?—Yes; I mean in that sense.

843. You do not mean to say that supposing others come in free while we had a 1*s.* 6*d.* Excise duty, there would not be a greater consumption of foreign silver in England?—I think there would be, but I should think that would be a great injustice to the English producer.

Mr. WILLIAM ROBINSON, called in; and Examined.

Mr. *W. Robinson.*

Chairman.

844. YOU are one of the officers of the Goldsmiths' Company?—Yes.

845. Will you state what course you pursue in connexion with the Inland Revenue Office with regard to the marking of silver?—The duty is collected by the Goldsmiths' Company upon the weight of the silver, as it is delivered at the Goldsmiths' Hall. There is an allowance of one-sixth weight for work sent in an unfinished state, and the returns give the total weight of the silver received and marked.

846. Would the silver which passes through your hands afford some indication of the silver used for manufactures in the United Kingdom?—Yes.

847. You do not mark all the silver which is manufactured?—No. There are other assay offices in England.

848. But with reference to the silver which is manufactured at Birmingham and, I think, some other towns?—That is sent to the local halls.

849. What other local halls are there besides your own?—Those at Birmingham, Sheffield, Exeter, Newcastle, Chester, Edinburgh, Glasgow and Dublin.

850. Do they collect the duty for the Inland Revenue Office?—They do; in precisely the same manner that we do, and make their returns.

851. Could you state the amounts, the total weight of silver marked at your hall during the years 1873, 1874, and 1875?—In 1873, 1,006,973 ounces; in 1874, 1,006,163 ounces; in 1875, 1,046,921 ounces.

852. What kind of proportion do you believe, does the amount which you mark bear to the whole. Should you be able to state at all what Birmingham and the other towns mark as compared with your own; is it a large proportion?—No, the London hall is the largest, considerably; I do not think they mark much plate at Birmingham; at Sheffield they do mark some, but nothing equal to the London hall.

853. Do all the other halls together mark as much as you do?—Perhaps one-third.

854. But you are not able to give any positive statement to the Committee on that point?—No.

855. All the silver which is used for electro-plate and other purposes would not pass through your hands at all?—No, only manufactured plate passes through our hands.

856. The largest amount which has ever passed through your hands I see has been in the year 1875?—Yes; during the last 15 years.

Chairman—continued.

857. And that amounts in round numbers to 1,050,000 ounces?—Yes.

858. You have collected the duty for the Inland Revenue?—Yes, it is collected in the Assay Office.

859. You collect it, and pay it over?—It is paid to the Inland Revenue every quarter.

860. Silver watch cases are exempt from the duty?—Yes.

Mr. *Hermon.*

861. You say that you hand over to the Inland Revenue this 1*s.* 6*d.* per ounce?—Yes.

862. Do you charge anything for assay and stamping?—A small charge is made independently of that for assaying and marking.

863. Do you know what charge per cent. it is to the manufacturer; the manufacturer of the silver article pays you 1*s.* 6*d.* an ounce?—Yes, and a small charge is made for the cost of assaying and marking.

864. That would be very trifling?—It is so trifling that it is not, in some instances, above ½*d.* or 1*d.*, or 1½*d.* an ounce.

865. I suppose you mark every independent piece of silver in a large ornament?—Yes; all separate pieces would bear a mark to indicate that it has been duly assayed.

Sir *Charles Mills.*

866. I suppose the total amount stamped at the other places can be ascertained from the total amount paid to the Excise?—They can furnish the same returns as we can.

Mr. *Fawcett.*

867. Of course only a portion of this silver which is brought to you as manufactured silver to be stamped represents new silver which has been obtained from new sources of supply; a certain portion of it, of course, is old silver melted down, which already existed; simply turning it from one form into another?—Probably so. I think it is chiefly new. I should think the manufacturer scarcely likes to trust to melting down old plate, in consequence of the doubt as to whether it is the correct standard, for the solder would be melted with the silver. I think they more often purchase the new silver for the purpose of manufacture.

868. Still old plate, which bears your mark, would have just as good security for genuineness as new silver?—Yes.

869. Therefore

Mr. *Fawcett*—continued.

869. Therefore the manufacturer could not have any doubt if he bought old spoons and things bearing your mark?—No. Spoons would be an exception, because there is no solder in manufacturing spoons, but in other plate there is a portion of solder, which is of course under the standard. But they chiefly use new silver for manufacturing purposes.

Mr. *W. Robinson.* 6 April 1876.

Colonel HENRY HYDE, called in; and Examined.

Chairman.

870. YOU have been Director of the Mint in Calcutta?—Yes, for 14 years.

871. And you are able to give the Committee some information with regard to the coinage of silver in India?—Yes.

872. Have you given your attention generally to the question of the silver currency in India?—I have inquired into the question at various times, and I have collected information with a view to writing something on the subject, because, I believe, very little is generally known about the history of the currency in India.

873. Can you put in a Paper for the use of the Committee, showing the amount of silver coined over a long series of years in India?—Yes (the same was put in *vide* Appendix). It is a statement of bullion imports, coinage, and coin in circulation from the year 1835 to 1869. The statement was drawn up in the year 1871.

874. You are able to state the total amount of new silver coinage coined in India since 1835, are you not?—Yes.

875. Will you state the total?—£. 188,531,256 sterling.

876. Will you state the amount coined, year by year, from 1861 downwards?—In 1860–61, 5,192,328 *l.*; in 1861–62, 7,070,000 *l.*; in 1862–63, 9,251,000 *l.*; in 1863–64, 11,477,000 *l.*; in 1864–65, 10,358,000 *l.*; in 1865–66, 14,507,000 *l.*; in 1866–67, 6,118,000 *l.* This is the coinage of 11 months only, for from 1867 the financial year was made to terminate on the last day of March; in 1867–68, 4,313,000 *l.*; in 1868–69, 4,207,000 *l.*

877. When did you leave the Calcutta Mint?—In February last.

878. Would you be able to procure for us the same details for the four years since 1869?—Yes; I will write out and get the statement continued in this form.

879. The new silver coinage includes the old silver coinage, which has been re-coined, does not it?—Yes.

880. What was the amount of old coinage outstanding in 1835 and 1836?—The amount that I have given here is a calculated amount made out from the coin that has been called in and yearly coined in the Indian Mints.

881. What sum do you believe there was outstanding in 1835 and 1836?—£. 21,241,000.

882. The total amount coined from 1835 to 1869 was 188½ millions, was it not?—Yes.

883. Have you formed any estimate of the loss or destruction of the new coinage?—I think it almost impossible to form an estimate; but I have taken a supposition of one per cent. per annum in this table.

884. Would you include in that the melting down?—I suppose that to include every loss.

885. If you take in that loss, what would be the amount of coinage left in circulation in 1868–1869?—£. 166,315,000.

886. You would be unable, I presume, to put before the Committee any substantial proof of the amount of destruction of the coinage?—Quite unable; I only take one per cent. as a unit; it is entirely an imaginary quantity.

Chairman—continued.

887. There is some destruction, and you calculate it at one per cent.?—Yes.

888. If there has been any large melting down, by the native population, of the rupees, the probability is that it would be larger than one per cent.?—I am quite unable to estimate it.

889. The coinage figures are certain; you have issued 188½ millions?—One hundred and eighty-eight millions and a half have been coined in three Mints.

890. You cannot state to the Committee what may have become of the coins, but you have coined them, and as far as you know they have passed into use in India?—Yes, 188½ millions have been issued from the three Mints.

891. In that figure you have taken the rupee at what?—At 2 *s.*

892. Can you give the Committee any information as to the power of India to absorb silver circulation? At what period did the increase begin to take place in the issue at Calcutta and other towns?—After the Mutiny after 1856–1857.

893. Am I right in assuming that until the year 1852–1853, the amount coined yearly in new silver never exceeded 5½ millions?—It never exceeded five millions.

894. The first year when five millions was exceeded was, in fact, the year 1852–1853?—Yes.

895. Will you read the next figures to the Committee. In 1853–1854 you coined what?—£. 5,253,000.

896. In 1854–55?—£. 1,365,000.

897. In 1855–56?—£. 6,973,000.

898. In 1856–57?—£. 10,779,000.

899. In 1857–58?—£. 12,551,000.

900. In 1858–59?—£. 6,542,000.

901. In 1859–60?—£. 10,677,000.

902. The largest year, I think, was the year 1865–1866?—Yes.

903. What was the amount coined in that year?—£. 14,507,000.

904. The process, then, of coining silver for India has, since the year 1856–57, assumed very large dimensions?—Yes.

905. Can you state to the Committee the process by which that silver coin finds its way into the country; the silver bars arrive in India and are consigned to merchants or bankers, I presume?—They are consigned to merchants, who bring them to the Mint, and in return for which they receive orders on the Treasury for the Mint outturn.

906. How does the coin pass into circulation?—The merchants draw the coin from the Treasury, and generally it goes up country to pay for produce.

907. It presumably goes to the indigo, cotton, and other produce districts, and is there paid over for labour and other purposes?—Yes.

Colonel *H. Hyde.*

Colonel *H. Hyde.*

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Chairman—continued.

908. Have you found that much of the silver finds its way down again to Calcutta from the produce districts, or does it appear to be absorbed by the country itself?—At certain times of the year it finds its way down.

909. And in large quantities?—Yes, in considerable quantities.

910. At what periods?—It finds its way up country at the time when produce comes down to Calcutta, and it returns to Calcutta after the revenues are paid into the Government.

911. The rents are generally paid in silver, are they not?—They are.

912. Do you believe that India has already been supplied with adequate silver currency, or that its capacity for absorbing silver currency remains great?—I believe the capacity remains great.

913. Will you state your grounds?—My grounds are, that I believe that in many parts of India transactions by means of currency are not carried out at all. Many transactions are carried out by barter in the more distant and isolated parts.

914. What have been some of the main channels by which the silver coin has been introduced into whole districts in India?—Wherever large public works have been in progress, such as railways, roads, and irrigation schemes, in these districts silver has been distributed largely.

915. So far as your experience goes, have you found that where that has taken place, the use of silver currency has superseded barter arrangements to a great extent?—Yes.

916. Do you mean that where the natives have been taught the convenience of the use of silver currency, through Europeans having spent money there, there the currency remains?—It is exactly so. It is only in the extreme outlying wild districts that barter is carried on; in all the more civilised districts currency is used.

917. Is there much hoarding of silver among the natives of India?—There are a great many opinions on that subject. My own opinion (and it is only an opinion) is, that to a certain extent hoarding is practised among certain classes, but I do not believe it is practised to the extent that is generally supposed.

918. It is generally believed that there is a considerable amount of hoarding?—It is.

919. Among individuals or by the princes?—By both.

920. Is there much melting down into ornaments?—There is a good deal of melting down into ornaments.

921. Can you state to the Committee when in the native villages silver is used, in what class of transactions do they use it; in daily retail transactions, or not?—I have no actual knowledge of that; it is a very long time since I was in the district, where alone the information could be obtained.

922. Have you on one occasion directed officers in various departments to report to you upon the extent to which copper and small silver currency was used?—Some years ago I thought it desirable to obtain information on the subject, and I sent a circular letter of questions (with the sanction of Government) to every executive engineer in India, thinking that the engineers who largely employed labour, and who spent money among the poorest classes, would be best able to give information on the subject, and I obtained and tabulated all the replies.

Chairman—continued.

923. Have you got any general remark to make upon the subject of these replies; did they show that there was a sufficient small currency generally?—I think there was a great deficiency of small currency.

924. In what year did you make that inquiry?—In 1870.

925. Has that Report been placed before the public in any shape?—No, I asked the Government not to publish it, because I intended to enlarge upon it, but I have not been able to do so.

926. You would have no objection to its being put in?—None whatever.

927. Is the result to show that there is a capacity for absorbing more currency, and a need for more currency in India generally?—The result of that is to show that a smaller division of currency was required, but the essential part I wish to point out is with reference to the extent to which barter exists, which would tend to show that there is a capacity for absorbing more currency.

928. Are the copper coins referred to in this Paper of very small denominations?—The lowest coin is one pie.

929. Are there many small silver coins in circulation?—A comparatively small amount.

930. What is the smallest silver coin that has been in use in India?—One-eighth of a rupee.

931. What is the fineness of the present coins?—Eleven-twelfths of pure metal and one-twelfth alloy.

932. What was the fineness of the old sicca rupee?—The sicca rupee of Regulation XXV., 1793, weighed 179$\frac{2}{3}$ grains, and contained 97·917 parts of pure silver in 100; this was current to 1818. The sicca of Regulation XIV., 1818, weighed 191,916 grains, and contained 175·923 parts of pure silver in 100; this was current till 1833. The sicca of Regulation VII., 1833, weighed 192 grains, and contained 176 grains of pure silver, and was current till 1835, and its value in the Government rupee is $\frac{16}{15}$, or 106·66 per 100.

933. Can you give the Committee any information as to any difficulties that arose when the present standard of fineness was adopted?—The rupees of the three different Presidencies all differed in fineness and were of different weights; the question was carefully considered, and the present rupee was determined upon after the question was fully gone into.

934. In what rupees do the zemindars pay the land tax?—The Government rupee is the only rupee current.

935. Do they not pay a small addition or percentage in order to put them upon the same level as the sicca rupee?—I do not personally know that; I have no knowledge on the subject.

936. You cannot speak upon that point?—I have no knowledge on the subject.

937. Can you tell us anything with regard to the use of gold in India?—It is simply bullion.

938. Can you tell us what has become of the large amount of gold that has been exported to India?—I think it is turned into ornaments, used in manufactures, and is hoarded.

939. Is it used at all for the purposes of currency?—I do not think it is used anywhere for the purposes of currency?—Jeypore is reputed to be the largest coiner of gold, and the mohur of Jeypore is held in the highest esteem; I inquired in Jeypore regarding it, and I found there

Chairman—continued.

there was no gold whatever in circulation in the State; as fast as it was coined so it was exported.

940. Where to?—Different parts of the country; simply on account of the purity of the coinage.

941. Do you think that much of the silver that is passed into India goes into Central Asia?—Not much.

942. It is too bulky to be carried for mercantile purposes, I presume?—Yes; I do not think much goes.

943. Would gold be used rather than silver by such native traders as may trade between the northern frontiers and Central Asia?—I have no knowledge on that subject. The only matter that has come before me is that when the envoy of Yarkund came down he brought gold with him. In India gold has always been used for remittances, as being easier to carry; the finer the gold the more it is esteemed for that purpose. Formerly fine gold coins used for this purpose were especially named.

944. What gold?—Gold from Yarkund, bar gold; I wish to add something in regard to what I said about the gold mohur; I believe that the mohur is simply an assay stamp, and that the reason for the coinage of gold is that it is more safe and convenient for the poorer people of India to buy gold coins than gold from the bar, simply because they then know what they are purchasing. The impression on the coin is simply an assay stamp as to the quality of the gold. Purchasers have some security in buying gold mohurs which they have not, if they buy a bit of gold off the bar.

945. So that is assay gold rather than a coin?—It is certified gold.

946. Can you state anything further to the Committee with regard to the probable increase or decrease in the use of silver in India; have you anything to add to the evidence you have given on that point?—No; I do not think I have anything to add.

Mr. *Massey.*

947. Is it a fact that there is a large absorption of silver coins by the native population for the purpose of conversion into ornaments?—The natives never invest their money in the way in which civilised nations look upon an investment. A native when he realises a little money puts it into the form of ornaments on the females of his family, and in times of scarcity those ornaments are taken to the bankers and sold.

948. Have you any means of estimating the consumption year by year of silver coins for that purpose?—None whatever.

949. You have stated that in 1865-66 the coinage rose to the sum of 14,000,000*l.*?—Yes.

950. That was the year when there was a demand for Indian cotton in consequence of the American war?—Yes.

951. Did a large proportion of that coinage go up country?—The greater part of that was sent to Bombay, of which I have very little knowledge.

Mr. *Christopher Beckett Denison.*

952. When you say sent to Bombay, was Bombay not coining itself?—Yes, it was sent from Europe to Bombay, not brought to the Calcutta Mint.

Mr. *Massey.*

953. Within the last 15 years there has been a paper currency established in India?—Yes, it began operations on the 1st March 1862.

954. Have the currency notes produced any sensible impression upon the silver coinage in the way of diminishing the demand for it?—No, I could not say that; I do not know.

955. I think you brought your returns of the coinage up to 1868?—Yes, to 1868-69.

956. Will you give us the figure for 1868-69?—£. 4,207,000.

957. Can you follow on to the next year, 1869-70?—I have nothing further.

Chairman.

958. Has the coinage been going on in the same proportions, or has it decreased, as far as your memory goes?—Very little silver has come to Calcutta since that date.

Mr. *Massey.*

959. In fact the coinage of 1865-66 was quite exceptional in consequence of the exceptional state of the demand for produce?—Yes; more silver has been imported into Bombay, but very little into Calcutta.

Mr. *Fawcett.*

960. When you say that 1 per cent. represents the amount that is required to make good the annual waste, as far as I understand, that is mere surmise?—I would not say that 1 per cent. represented it; this was a statement that I drew out some years ago, and I merely adopted 1 per cent. as a unit, simply to give some idea of what waste would be, and that could easily be multiplied.

961. As far as I can understand, there is no reason why you should not put in as a unit 2, 3, 4, or 5 per cent.?—Certainly.

962. Whether you adopt one of those figures or not would make a great difference to your estimate as to the aggregate amount of coins in circulation?—Yes, but I myself see no way to adopt any amount.

963. Unless you can form some estimate of the amount that is required to repair waste, whether 1, 2, or 3 per cent., the aggregate amount you have coined at the Mint really gives you no indications at all of the amount of coin that is in circulation?—No, of course not.

964. For instance, take the coinage, the last you have given us, of four millions, if you suppose that the aggregate coinage in India is 180 millions, and if you take the annual amount required to repair waste to be 3 per cent., the amount that is coined is not sufficient to keep up the coinage?—No; up to 1869 I made out that the amount of rupees issued per head of population was 11·36 in 35 years. From my own observation I estimated that each head expended a certain sum in ornaments per year, but after I had calculated what the total expenditure would amount to, I found that in 35 years it amounted to such a very large sum that my first estimate was perfectly impossible, and I was brought up at the outset and utterly unable to form any opinion.

Mr. *Christopher Beckett Denison.*

965. You took the population of the final year?—Yes; that is, 11·36 rupees per head has been issued during 35 years.

966. Practically,

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Mr. *Fawcett.*

966. Practically, you rather agree in the opinion that the mere amount that is coined in a country like India gives scarcely any indication of the amount in circulation?—No actual indication, I should say.

967. You spoke once or twice, in your evidence, of the capacity of a country like India to absorb silver coinage; when you used the expression "capacity of a country to absorb," what did you mean by it?—That India has not at present got a currency throughout the country.

968. There are two ways of absorbing; of course any country could absorb far more coinage than it has, but the question is whether that absorption can take place without depreciating its value?—Of course it will first depreciate its value; but I look upon it that any country where barter is carried on to a considerable extent requires a currency, and will have it in time.

969. Was it not shown by actual facts, in those years which have been referred to, and in which there was an exceptionally large coinage, owing to the great quantity of cotton purchased, that a great part of that additional coinage was coined in Bombay, and a considerable portion of it stopped there; of course it was absorbed in one sense, but in another sense it was not absorbed, because that addition to the coinage produced a marked rise of prices in Calcutta, and if there is a rise in prices, there is, *pro tanto*, a depreciation in the value of silver, silver being the currency?—Yes, there will be for a time, but I look upon it that the currency will permeate the whole of the outlying districts in time.

970. Still am I not correct in saying that that additional coinage did for a time, if not permanently, produce a very marked rise in the prices, and, consequently, an equally marked depreciation in the value of silver?—Certainly.

971. Has the present depreciation of silver been shown by a change in the value of the mohur; do you have to give more rupees now?—Yes.

972. So that that, to a certain extent, would be a test of the depreciation of silver estimated in gold?—Yes, certainly it is.

Mr. *Christopher Beckett Denison.*

973. You are speaking of the foreign mohur?—Of the mohur generally; it varies as gold bullion.

Mr. *Fawcett.*

974. It varies with silver?—Yes.

975. So that now you would have to give a greater number of rupees for a mohur than before?—Yes.

Mr. *Christopher Beckett Denison.*

976. Do you mean you would have to give more than 16 rupees for the Government gold mohur?—Yes; in India all gold is bullion.

Mr. *Fawcett.*

977. You have not got a double currency in India?—No.

978. Silver is the currency; gold rises in price in exact proportion to silver diminishing in value?—Yes.

979. You say the coinage during the last few years in India has been very small?—Yes.

Mr. *Fawcett*—continued.

980. So that that is another indication that contemporaneously with the increased supply of silver we have a decreased employment of it in the way of new coinage in India?—Yes.

Mr. *Christopher Beckett Denison.*

981. In a statement that we have here, showing the amount of silver received into the Mint in India from the Government Treasury Department from 1857-58 to 1861-62, there is a considerable amount of silver shipped to India by the Home Government in those years. Do you know whether that is in English or Indian silver?—I do not know. I had prepared a statement before I left India of all the kinds of silver that had been received since 1835, but I find I have not brought it with me.

982. Whatever it was that was sent to this country, it would have to be re-coined, I suppose?—Yes.

983. What practically determined the amount of silver you coined each year in the Mint?—The amount that was tendered at the Mint.

984. No estimate?—No.

Chairman.

985. You coined, not so much for the purpose of supplying the circulation, as for the merchants who imported bar silver, and in that way wished to utilise the silver which they imported?—Exactly.

986. Did you ever hear any complaints that there was not sufficient silver in circulation in the country?—No.

Mr. *Christopher Beckett Denison.*

987. I observe, from this statement of the new silver coinage which you have put in, that the great increase of the coinage began in the year 1856–1857; that was the year of the Persian War, was it not?—Yes; and 1857 was the year of the Mutiny.

988. The Mutiny had nothing to do with 1856?—The Mutiny was in 1857–1858.

989. You could not give any particular reason why, in any special year, it was so very much more than in others?—No.

990. Have you put in any paper showing the amount of gold that is coined contemporaneously?—No, I have not.

Chairman.

991. Could you supply us with that statement?—I have got none. The information is given in a statement already handed in by Mr. Waterfield.

Mr. *Christopher Beckett Denison.*

992. There are no particular times of the year at which silver flowed from one part of the world rather than another; in which, for instance, silver came in abundance from China?—Yes, it came from China at certain seasons, and it came from Europe at certain seasons; it was very regular in the influx. Of late years there has been very little sent from China.

Mr. *Cave.*

993. Is very much silver brought in by the emigrants from the Mauritius and the West Indies returning to India?—I have no knowledge of it; they have a considerable rupee circulation in the Mauritius.

994. You do not know whether there is much brought in in the way of ornament?—I do not.

995. Because

Mr. *Cave*—continued.

995. Because we know that in the West Indies the greater part of their earnings is turned into ornaments, which are carried back in the shape of silver?—I have no knowledge of it.

996. They are paid any arrears by drafts on the Treasury of Calcutta?—I have no knowledge whatever of it.

Mr. *Mulholland.*

997. From what you said, I presume we may assume that almost all the bar silver imported into India is coined?—Not all.

998. By far the greater part?—By far the greater part.

999. Is it used in any way as bar silver, or is it used for ornaments?—The finer descriptions of bar silver are taken up into the country and used in the arts, and also sold to native States. Formerly, I believe, bar silver was not so used because it was difficult of carriage; but since railways have been opened and carriage is easy and safer, the bar silver, which stands the purchaser at 2½ per cent. less than coin, and does not require refinage, is taken up country.

1000. How does the silver come from China?—It comes in sycee and in dollars.

1001. Are they melted down?—All melted down.

1002. And coined?—And coined.

1003. I think you said that the coinage lately had been on a small scale?—In Calcutta; in Bombay it has been larger.

1004. The total imports of silver into India in the year ending the 1st of April 1875, were very large?—It mostly went to Bombay.

1005. I speak of India as a whole?—Yes.

1006. There were 7,500,000*l.*?—I do not know what amount was imported into Bombay.

1007. We may assume the greater part of it was coined?—Yes.

1008. That would be a full coinage year?—Yes.

1009. When you spoke of the quantity of silver that was melted down for ornaments you alluded, I think you said, to coins?—Formerly ornaments were almost entirely made of the coined silver.

1010. If 1 per cent. would include not only the waste and wear and tear of the currency, but the amount melted down, it would not be a very large total?—The wear and tear of the currency is not known, as the older, and consequently lighter, rupees are in the distant districts and remain there; of the worth, also, nothing can be known. Of the amount melted down it is very difficult to form an estimate. All that can be said is that zemindars and others invest their savings in ornaments, and in times of pressure these are taken to bankers, and are either mortgaged or sold. Some of the records of the old Benares Mint show, that in times of scarcity, the greater part of the silver brought to that Mint to be coined was in the shape of ornaments. Now that there are not any country Mints, all such silver must remain in the shape of ornaments.

Lord *George Hamilton.*

1011. In the tables which you have put in, in the last column you give the per-centage of revenue of silver coin in circulation?—Yes.

1012. If you look at the first year you will find that the revenue was then 85 per cent. of the amount of silver in circulation?—Yes.

Lord *George Hamilton*—continued.

1013. Whereas, in the last year, 1868-69, it is only 29 per cent.?—Yes.

1014. Have you ever heard that the revenue in consequence has been more easily collected?—No, I have no knowledge at all of that.

1015. I think you said that the gold mohurs which were coined in Jeypore and elsewhere were valued by the natives as an indication of the quality of the metal?—The coin stamp is, as it were, an assay certificate; it certifies to the purity of the gold.

Mr. *Fawcett.*

1016. Like the Goldsmiths' stamp?—Like the Goldsmiths' stamp.

Lord *George Hamilton.*

1017. Would not that apply to the coined rupee?—Yes; but the coined rupee has one-twelfth of alloy.

1018. Do the natives, knowing this, buy rupees at all for the purpose of making silver ornaments in preference to bar silver?—They prefer the pure metal for ornaments.

1019. Therefore you do not think that a very large amount of rupees would be converted into ornaments?—I think the alloy protects the coinage very much; if the coinage were finer it would be more melted down. Jewellers now take the finer coinages of native States if they require silver to work up into ornaments, because it is expensive to take the alloy out of the rupee.

1020. Looking at column 8 of the last page of your tables, in the year 1856-57, the total old and new silver coinage issued was estimated to be 88,400,000 *l.*?—Yes.

1021. Whereas, in 1868-9 it was 188,500,000 *l.*?—Yes.

1022. Therefore, there had been an increase during thirteen years of upwards of 100,000,000 *l.*?—Yes.

1023. Mr. Fawcett asked you one or two questions as to the increase of prices. Do you attribute the increase of prices to the depreciation of silver consequent upon over circulation, or do you attribute it more to the increased wealth of the country, and consequently the greater demand for different commodities?—The India of 1835 was a very small portion of the India of 1869. The territory has increased; Oude, the Punjaub, and Sinde have been annexed. They have all required a currency.

Chairman.

1024. They had no currency previously?—No. That is, the currency of native states was very insufficient, as revenue was largely collected, and payments made, and transactions carried on in kind. English currency had to be introduced. Twenty-five years ago I was up at Loodiana in the Cis Sutlej States, on the borders of the Punjaub; we had just taken the Punjaub; and were changing from the old Sikh system, which collected the revenue largely in kind, to the collection of revenue in money. Then we got 150 lbs. of gram, which was the staple grain there, per rupee, and now you do not get 30. Part of this rise in price is due to the opening of the railway, but the greater part to the large amount of silver coin sent into the Punjaub.

Lord *George Hamilton.*

1025. Then the estimated increase of silver

Colonel *H. Hyde.*

6 April 1876.

Lord *George Hamilton*—continued.

issued might be partly accounted for by the increased territory in which it was circulated?—Yes.

1026. And that, of course, would be the case, especially since the Mutiny, or rather during Lord Dalhousie's viceroyship?—The addition of territory has been large; Sinde, the Punjaub, Nagpore, and Oude, as well as Burmah, have been added to the British possessions. In the case of the Punjaub, I know that money was remitted to Lahore in very large quantities until there was sufficient currency in that newly-acquired territory for its use.

1027. You still think, that notwithstanding the great increase in the issue of silver, India has considerable power of absorbing more silver?—I think it is so, because I do not think it has got a sufficient currency. I think that the progress of the currency in India will be very slow indeed, but I think it will be sure.

Chairman.

1028. New ground will be covered with coinage?—Yes, new ground will be covered with coinage.

Lord *George Hamilton.*

1029. When any merchants brought bar silver to be coined, did you coin it as they wished it, or did you coin it in a certain proportion, say so much in rupees?—It was invariably in rupees.

Mr. *Cave.*

1030. Has there been any quantity of foreign silver coin brought into the Mint of Calcutta to be recoined?—Since I have been there a very large quantity of American dollars, and the dollars of South America, and a very large quantity of 5-franc pieces, of Austrian coinage, of guilders; in fact new guilders that had never been in circulation there were received from Java.

1031. For what reason are they sent to Calcutta; merely to be sold as bullion?—In the course of trade as bullion.

1032. I asked you just now about the emigrants from the West Indies; you do not know whether they bring any quantity of the South American dollars?—I do not know.

Chairman.

1033. Is the fractional currency of the same fineness?—It is of the same fineness.

1034. It is not a token currency?—No.

Monday, 1st May 1876.

MEMBERS PRESENT:

Mr. Baxter.
Mr. Cave.
Mr. Fawcett.
Mr. Goschen.
Lord George Hamilton.
Mr. Hermon.
Mr. Kirkman Hodgson.
Mr. Hubbard.
Mr. Massey.
Sir Charles Mills.
Mr. Mulholland.

THE RIGHT HONOURABLE GEORGE JOACHIM GOSCHEN, IN THE CHAIR.

Mr. J. T. MACKENZIE, called in; and Examined.

Chairman.

1035. WILL you kindly state your connexion with India?—When in India, as a large zemindar, I had indigo factories; and when I came home I was a merchant, and before giving up business, deputy chairman of one of the Indian railways, and I have always taken a considerable interest in the subject, and written some pamphlets and letters in the papers on the question.

1036. You have had considerable experience in India when you were engaged in business as a landowner, or as a zemindar?—Yes.

1037. You have been able to watch the methods in which business is conducted in India by the zemindars?—Yes, most minutely.

1038. In what part of India?—In Bengal.

1039. Will you state, in the first instance, how the business in Bengal connected with land is conducted, so far as regards actual payments in specie are concerned?—As a rule, the smaller farmers are in debt, and in every village there are several mahajans, who practically act as bankers for the farmers; they also make advances to them in money and food during the season, and when the crops are cut they are repaid. As a rule, they generally pay the money required for the zemindar's rent; the land proprietor's rent in Bengal is generally paid in nine different instalments in the year.

1040. Did much actual silver pass in the transactions?—With the exception of the silver passing to pay the rents to the zemindar, there was a very small amount of silver passing in the transaction.

1041. Are the weekly purchases for consumption and the retail trade managed by transfer, or is it managed by coin?—The family transactions in the interior are so small that they are done with copper coin and cowries (shells) about 200 of which go to a pice.

1042. What were the dates when you were in Bengal?—I was there from 1844 to 1851.

1043. At that time was there a scarcity of silver circulation, so far as you could see?—Very great.

1044. In what respect did that scarcity of silver make itself felt?—The tendency in Bengal is, when silver gets into a district a large amount appears either to be hoarded or converted into ornaments, and remains in the district.

Chairman—continued.

1045. Are you of opinion that any large amount of the silver which has been coined in India, has been used for purposes of ornament?—A very large amount.

1046. Can you speak from positive knowledge on the subject?—From having seen it done. In every large village there is a silversmith, or some one who works in silver, and as soon as a man gets a few rupees he employs a silversmith to come to his house and make the ornaments there, who brings his little implements required for manufacturing it, and there the rupees are made into ornaments.

1047. Have you seen comparatively large amounts of silver ornaments in the houses of the very poor?—Of course you are never in the houses of the peasants yourself, but you know for a practical fact that they have a very large amount. When their children come out to any great festival they take an immense pride and ambition which children shall have the greatest amount of ornaments; those that cannot afford gold or silver get brass, and if they cannot afford brass they will have clay.

1048. They take the actual coins and melt them up into ornaments?—A considerable amount.

1049. Is gold hoarded in the same way?—There is a very small amount of gold in circulation among the peasantry, because their transactions are comparatively so small that gold does not enter into the currency.

1050. Not having entered into the currency, am I to understand that they have not had the means of converting it into ornaments?—Exactly; if they had, and could afford it, as soon as they could get gold they would. When a man gets a considerable amount of silver ornaments he will sell these for the purpose of converting into one gold ornament, because it adds to his prestige in the village if one individual of his family has a large gold armlet, or other ornament.

1051. It is not a preference for the silver as compared with the gold, but it is the opportunities afforded by the silver circulation which have caused the hoarding of silver in preference to gold?—Entirely.

1052. The two reasons why the silver is hoarded in preference to gold, I may understand

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Chairman—continued.

to be these; one, the poverty of the peasants, so that they have not the means of accumulating so much gold; and the other, silver is in circulation, and gold is comparatively little in circulation?—Decidedly; but I think I would qualify the poverty of the peasants with this remark, that although the peasantry in India have poor houses, yet the amount of ornaments they have would exceed in value the furniture and utensils of the same class of peasantry at home.

1053. You believe that the actual amount of capital would be really large in silver?—I believe so.

1054. Will you state to the Committee how do they possess themselves of this silver, if as I understand you, the silver circulation is used so little?—The way in which silver is introduced into the districts of Bengal is by trade. Silver is introduced very largely for the purchasing of different articles of commerce, and when the peasant or mechanic saves by any means a few rupees they are hoarded, converted into ornaments, or ornaments bought.

1055. You have seen the absorption of large amounts of silver?—Very large amounts.

1056. Could you state to the Committee the process in which silver reaches these districts in the first instance; the silver arrives, I presume, in bars at Bombay?—The silver arrives at Calcutta and Bombay in bars; a merchant sends the silver to the Mint. The Government make a charge of 2 per cent. for coinage, with a small charge of about a quarter per cent. on fractional coins. Apparently, by the public returns, the Government make 3 per cent. upon their coinage. How this additional 1 per cent. is made, I cannot make out.

1057. The merchant then receives the silver back in coins?—Less expense of Government for coinage.

1058. Then what becomes of the silver?—That required for the interior is sent there; as a rule, the English planters and native merchants make advances to the growers for the different crops India produces.

1059. Does the silver go straight into the districts, or does it circulate first in Calcutta?—That for the districts, the merchants at the seaports send direct from the Treasury or the banks.

1060. Did you receive, as zemindar, the silver direct from Calcutta?—No; as a zemindar, I had to receive rents in the interior. As a planter or a merchant, I should have had to receive in the interior silver from Calcutta.

1061. As a planter you received silver direct from Calcutta?—Yes.

1062. A portion of that would be paid out in wages?—A large portion of that was paid out in wages.

1063. At that time could you state, as a matter of fact, did you receive remittances of silver every year?—Every month generally.

1064. The silver which came to you through rents, or which came to you, or which was circulating in the district, would that have been insufficient for the purposes of trade unless there had been a continual addition made to that stock by being sent up from Calcutta?—I think it would have greatly depreciated the prices of all commodities in the interior if there had not been a constant influx of silver into the provinces, on account of the absorption.

Chairman—continued.

1065. Is it your opinion that India can continue to absorb large amounts of silver as regards its circulation?—It appears from historical periods she has always gone on absorbing silver, and there seems at present no cessation to this absorption.

1066. I do not wish to put this as a leading question, but simply to elicit your opinion; does India require silver for two purposes still, namely, the one to increase the circulation, and the other for the purpose of satisfying that demand for ornaments which you have described?—In my opinion decidedly for both purposes.

1067. Have you found that where the silver coins had once begun to penetrate, the natives have become accustomed to their use, and that the circulation has increased in those districts, while in other districts there is scarcely any circulation at all of silver?—The tendency with every native when he gets silver which he does not require for use is to hoard it, or to convert it into ornaments, and there are districts where there is a great deficiency of silver circulation.

1068. The point to which I wanted to call your attention is, are there districts of India where there is a greater demand for silver where the circulation is still very inadequate to meet the wants?—In many of the districts totally inadequate. For instance, there are some districts where the population averages 600 to the square mile, and some where it is not 50. The poorer and the more dispersed the population, the less coinage is there in circulation, and in many districts I believe it to be inadequate.

1069. I have heard it described that where there have been public works for railways, or where other expenditure has been going on, silver has been introduced into certain districts by Europeans, that afterwards the business in these localities continued to be conducted with a much larger amount of silver circulation than in other districts where there has been no such expenditure, and where the habit had not grown up; can you at all speak to that point?—The whole amount introduced by the Public Works is small in comparison with that introduced by commerce; what you have heard may be true to a small extent, but I should doubt it as a general rule. The only large amounts that have been introduced for public works are upon the railways, and of that only about 40 per cent. is expended in India, and 60 per cent. in this country.

1070. Does the railway not penetrate into certain districts where commerce has scarcely yet penetrated?—No.

1071. Are there not railways over tracts of country where as yet there are few European planters?—There are many districts of India where there are no Europeans, and in others very few; in many parts of Bengal the English planters have decreased a half within the last 25 years, and generally in Bengal the tendency is to decrease, except in those districts where tea is now being very successfully cultivated.

1072. To turn to a different point; are there any particular coins which the natives prefer melting for ornament as compared with others?—Yes; there were the old sicca rupees which were coined prior to 1808, being of purer silver; they were in great demand for making ornaments, as they could be manufactured better than the new rupee, which contains one-twelfth of alloy.

1073. They

Chairman—continued.

1073. They prefer the sicca rupees?—Yes.

1074. Were the sicca rupees at a premium afterwards?—There are two descriptions of sicca rupees. The sicca rupee coined in 1818 and 1821, had very nearly the same proportion of alloy as ours; but the old sicca rupees were almost pure silver, with about 2 per cent. of alloy; but as all the sicca rupees contain a larger amount of pure silver than the at present current rupee, all sicca rupees sell at a premium.

1075. Did the change at all affect the demand for silver by the natives in the way of inspiring them with any distrust or doubt about the rupee?—You mean the existing coinage?

1076. Yes.—The existing coinage of 1835 caused an immense distrust throughout Bengal.

1077. Why?—Government by it introduced a uniform coinage throughout British India. Previously there were several silver rupee coins of different values in purity in circulation. In Bengal there were sicca and sunnut rupees; the Coinage Act declared the equivalent for 100 sicca rupees to be 106⅔ of the new rupee, and 104½ of the sunnut rupees, their exact relative value in pure silver; the agreements of the Government were to pay the native employés in sunnut rupees, but as the sunnut rupee practically ceased to circulate long before 1835, Government paid their servants in sicca rupees, without making any deduction, though they were 2 per cent. intrinsically of higher value than the sunnut rupee; but after 1835, in terms of the Coinage Act, they paid their salaries at the equivalent of 104½ new rupees for every 100 sunnut. Government continued to pay all existing employés, if their agreements were in sicca rupees, at 106⅔ in new rupees, and in sunnut rupees at 104½; but, I believe, as a rule, their successors' salaries were paid in the new rupees without the allowance for the depreciation of silver in the new coin; Government continued to take their payments for land revenue, &c. at the rate of 106⅔ new rupees for every 100 sicca rupees. In consequence the natives believed the Government had taxed the coinage 6⅔ per cent. for the purpose of effecting the saving on the salaries; this was the confirmed belief when I was in India among the natives; it led to endless disputes and discontent in Bengal. Employers paid their servants in the new depreciated rupee without the allowance, and zemindars exacted their rents in the new rupee at the rate of 106⅔. The Coinage Act, so far as Bengal was concerned, was rather hastily and injudiciously done, and led the natives to mistrust the Government.

1078. I ask the question mainly with regard to the effect of changes such as that upon the circulation of silver; do I understand that the natives are exceedingly cautious with regard to any changes in coinage, and that changes in coinage are likely to affect the circulation?—Particularly after the coinage of 1835. I am alluding to Bengal, as in the Madras and Bombay Presidencies the new assimilated in value more nearly to the coins current in these districts, and it had not the same effect.

1079. Do you believe that silver leaves India for the interior of Asia to any extent? I do not speak with regard to the exports, because that can be ascertained by the Board of Trade Returns.—I think to a smaller extent than is generally supposed; the only mode it can be transmitted into such provinces is by excess of purchases over sales, or by employés in our districts remitting part of their pay. It has been estimated as follows: The population of the feudatory States is about one-sixth that of the British territory, and it is assumed they take about one-fourth as much silver per head of the population as those in our districts; this would give about 4 per cent. of the imports, to which is to be added a further allowance of 2 per cent. for all the other provinces of Asia (excluding China and Japan) supplied from British India. This would give an annual absorption of 6 per cent. to these non-British territories of Asia. I give these merely as estimates with no means of verification.

1080. Has much of the gold which has been coined in India been melted down?—I should think a very considerable amount, but the gold coinage has been very small.

1081. The gold coinage is what?—Gold mohurs, equal nominally to 15 rupees, double gold mohurs, and 10 rupee pieces, and 5 rupee pieces.

1082. Do you think that a portion of what has been coined has been melted down?—A considerable portion.

1083. Have the natives used them to any extent?—To a very small extent.

1084. Has much gold been hoarded by the native princes?—I should think it has been used in ornaments, and hoarded. The native princes, and those who can afford it, have a great passion for gold ornaments, and it is their custom to use gold mohurs as necklaces, as gentlemen here wear watch chains.

1085. Of the whole of the gold which during the last 40 or 50 years has gone to India, you consider that a very small portion only has been used for coinage purposes?—Very small.

1086. Has the remainder been used in any way for trade purposes, or mainly for the purposes of ornament?—I should think chiefly for the purposes of ornament, as the circulation of the gold coin is much restricted: 1st, it is not a legal tender; and 2nd, payments to actual producers in India are so small that gold does not enter into the transactions.

1087. Is it exported?—To a very small amount.

1088. Is it exported into the interior of Asia?—On the assumption that the territories of Asia supplied through British India take 6 per cent. of the bullion imports, and on account of its easier transport, a larger portion might be in gold than in silver; but I cannot state so from my own knowledge.

1089. Have you at all studied the question of the balance of trade between India and Europe?—Yes.

1090. The balance of trade in the ordinary sense of the word has been nearly always in favour of India, has it not?—Always.

1091. When I say "in the ordinary sense of the word," you have looked at the matter from the point of view of the difference between exports and imports, I presume?—Yes.

1092. Can you state any statistics over certain periods?—I think the following will make it clear to the Committee: From 1833-34 to 1837-38, in five years, that is when the exclusive trade of the East India Company was thrown open, the average export trade from India was 10 millions

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Chairman—continued.

lions a year; from 1853-54 to 1857-58 it was 22 millions.

Mr. *Fawcett.*

1093. Does that include the whole export trade of India?—The whole export trade of India by sea.

1094. Including opium to China?—Everything. But in the 10 years which probably the Committee will think most important, from 1864-65 to 1873-74, the export trade had increased to 56 millions, or a rise of about five and a half times the preceding amount.

Chairman.

1095. Fifty-six millions per annum?—Yes; the import trade in the same figures from 1833-34 to 1833-38 was 4½ millions; from 1853-54 to 1857-58, 13 millions; from 1864-65 to 1873-74 the import trade into India had increased to 32 millions per annum. That is to say, it had increased about seven times the amount in 35 years.

1096. This is the average per annum, not the totals?—Yes, the annual average. The import of bullion for those seasons shows that in the first five years the average import of bullion into India was 1¾ millions; from 1854-55 to 1857-58, the average import of bullion was eight millions; in the 10 years, from 1864-65 to 1873-74, the average import of bullion was 11 millions sterling. These figures are exclusive of the export of bullion.

1097. Can you divide the last 10 years into five years and five years?—The exports from 1864-65 to 1868-69 were 279 millions; from 1869-70 to 1873-74 they were 281 millions, or only an increase in the last five years of three millions sterling. The imports in the same case for the five years, from 1864-65 to 1868-69, were 158 millions, and from 1869-70 to 1873-74, 161 millions, or an increase of three millions net; so that for the last five years our trade had comparatively remained stationary, all other years, from 1834-35, having been nearly doubling every five years. Now, in the first five years, from 1864-65 to 1868-69, the bullion imports into India were 79 millions, and for the last five years of the period the bullion imports were 33 millions. The great decrease of the bullion imports, the trade remaining stationary, naturally arises from the immense increase in the home requirements of the Government.

1098. Will you state the averages for those two last periods of five years?—From the first five years, from 1864-65 to 1868-69, the average was 16 millions sterling of bullion; and for the last five years, from 1869-70 to 1873-74, it was 6½ millions, or an annual decrease of the import of bullion of 9½ millions into India.

1099. When you say the year 1873-74, what year do you mean?—The official year.

1100. When you say the year 1873-74, from what date does that year begin, and when does it end?—The official year begins on the 1st April and ends on the 31st March.

1101. You mean, therefore, the year 1873 to 1874, ending on the 31st March 1874?—Yes.

1102. All your figures, we are to take it, mean the year ending on the 31st March in each year?—Yes; formerly, I may mention up to 1867, the official year ended on the 30th April; up to that date the figures are for the official year ending on the 30th April, but subsequent to that for the year ending on the 31st March.

Chairman—continued.

1103. From 1864-65 to 1873-74, in those 10 years what was the excess of the exports over the imports?—The excess of the exports over the imports was 240 millions sterling.

1104. And the treasure remitted during the same time?—112 millions.

1105. To pay for a portion of that excess, I presume?—It paid for a portion of that excess.

1106. Have you added the drafts of the Government during those 10 years?—The home requirements of the Government were 89,000,000*l.* for that period.

1107. Where do you take that figure from?—From the returns to Parliament.

1108. Is that the requirements, or the actual drafts?—This is the actual requirements as particularised in the accounts that the Government require at home. The actual drafts would be a great deal more, because this does not include the payment on the railway dividends.

1109. The treasure remitted, and the home requirements together, make an amount of 201 millions?—Yes.

1110. Supplying, as far as it goes, the excess of exports over imports of 240 millions?—Yes.

1111. Leaving a difference of 40 millions sterling?—Yes.

1112. Which is still the excess of exports over imports; how do you account for that?—In the first place, the inaccuracies of the Government returns from India are great. I do not mean the India Office returns, as they are most correct. To give you an instance: since the appointment of this Committee, I believe the Government of India have telegraphed home to correct the returns for four years to the extent of about 1½ millions each year in the exports. Then there are private remittances, which would account for a considerable amount; and the Custom House returns give nominal values at which the produce is imported, and there would be a great difference between that and what the produce might sell for.

1113. Supposing that there had been a loss, or if not a loss, short proceeds as compared with the estimate of the exports, that might account over such a large period as 10 years for a considerable amount?—Yes.

1114. If there had been actual loss, that would go in diminution of that excess of exports over imports?—Yes.

1115. In the same way, if there was a loss on the imports, that would diminish that item?—Yes.

1116. You have not taken into consideration, in those calculations, the rupee paper which may pass to and fro?—No, it is left out because you cannot tell the amount. It is used as a medium of exchange. The amount could be ascertained at the Bank of England.

1117. On the whole, do you believe that the Indian securities have been exported in larger quantities from England to India, or from India to England?—From India to England.

1118. Do you believe that the amount of stocks held in India is increasing or decreasing in amount?—Decreasing.

1119. Do you speak with any amount of knowledge?—Yes; Government since 1859 allowed loans issued in India to be transferred to this country. The dividends on these loans are still payable in rupees by drafts from home on the Indian treasuries; I forget the amount that has been

Chairman—continued.

been transferred; the Committee could procure it from the Bank of England; I believe it will exceed 14,000,000 *l.* in value since 1859.

1120. Is your knowledge of the Indian trade such that you can speak as to the causes which have led to this cessation of the increase in the amounts of exports and imports during the last three or four years?—There has been no decrease; the increase has not continued to proceed.

1121. My words were the cessation of the increase?—There is a great decrease in the value of cotton exported in the last five years, as contrasted with the preceding five, of an annual average of eight and a half millions sterling, which the increase in other commodities has just made up for, and I think the cessation of the increasing ratio of the exports is to be attributed in a great measure to the effect of the introduction of railways and steam, which has materially increased the price of labour and enhanced cost of production.

1122. As far as you look at the question, from a purely Indian point of view, would there have been a fall in the Indian exchanges due to these circumstances you have described, totally irrespective of the operation of increased production in America or demonetisation in Germany?—I think the cause is the great increase of the home requirements of the Government, and that these must have caused a fall in the price of silver and lowered exchanges, irrespective of the other circumstances.

1123. The Government have supplied debtors to India with so large an amount, that they had less silver to remit?—Yes; the effect is their indebtedness is substituted in place of silver, and requires that amount of bullion less to be remitted to India.

1124. Do you attribute no portion of the fall to this circumstance of diminished trade generally?—The balance of trade remaining in India in the same proportion it would not matter; of course in the last 10 years India, but for its home requirements, would have taken 10 millions more silver, the trade remaining as it is.

1125. But if the exports had sold at a higher price, and had not left so much loss as they are represented to have left during the last three or four years, the value of the exports would have been higher?—No doubt they would have realised higher prices.

1126. And if the value of those exports had been higher, there would have been more to pay by this country to India?—Yes.

1127. Therefore, may it not be said that the depression of trade and the loss on the exports, and the falling value of the exports have, to a certain extent, also had an influence on the exchange?—I think you will find that the fall of prices on the imports into India will quite balance the fall of the exports into this country.

1128. You have looked into that point?—I have looked into it, as far as I can, minutely; if you take the returns, and that is all you can go by, they seem to be very even; there are the returns for the last 10 years to the United Kingdom; they have averaged about 30 millions.

Mr. *Massey.*

1129. I think I understood you to say that the habits and customs of the people of India caused a regular demand for bullion, quite irrespective of what was required for the purposes of coinage?—Yes.

Mr. *Massey*—continued.

1130. It is, is it not, the fact that the natives of the East, from the highest to the lowest, adorn their persons with bullion ornaments when they have the means of doing so?—Everyone who can afford it.

Mr. *Fawcett.*

1131. I understand that among the various causes that contributed to this depreciation of silver, you attribute by far the greatest importance to the increase in the home requirements of the Indian Government?—Unquestionably, because when the Crown, in 1858, took over the direct government of India the home requirements then were 4½ millions; now, including the railway dividends, they are 15 millions.

1132. Therefore, arguing upon that basis, the home requirements have increased by 9½ millions a year, or putting it differently the demand of India for silver has diminished by that amount?—Exactly.

1133. And, therefore, if the home requirements go on increasing, the demand of India for silver will, *pro tanto*, go on diminishing?—Certainly.

1134. And if that is accomplished with greatly increased production of silver in the United States and a diminished demand for silver from various European countries, the depreciation may become very much greater than it is now; is that your opinion?—Decidedly, because India 20 years ago used to take more than the assumed average production of the world when India was taking 20 millions. Now if you reduce the demand for India to five or six millions with an increased production from America and a decreased use on the Continent, it is almost impossible to say what the price may not fall to.

1135. You have devoted very considerable attention to Indian finances and the financial arrangements at the India Office; will you tell the Committee whether in your opinion you think the requirements of the home India Office are likely to increase or diminish. Has any event happened lately which will throw light on that?—If I might make the remark, I think it is most injudicious of the Government to raise loans for India in England.

Chairman.

1136. The question was whether the home requirement, by which I presume Mr. Fawcett means the increased expenditure, is likely to increase?—We can only judge by the last 10 years. If it goes on in the same scale it will increase about three millions every year. That is their increase over the last five years. You have an increase of 14 millions from 1869-70 to 1873-74 more than what there were from 1864-65 to 1868-69. That is exclusive of the dividends upon the railways; if you include those they would amount to about 10 millions more, or 25 millions in all, for which you have the official returns. For the last five years the home requirements have been about 25 millions more than what they were in the preceding five.

Mr. *Fawcett.*

1137. I will confine my question as far as possible to facts. To obtain some idea what the increased requirement would be in the future for India

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Mr. *Fawcett*—continued.

India we may fairly assume this, may we not, that on every loan that is raised in England for India, the interest of that loan payable in England will represent an increase in the home requirements?—Certainly.

1138. And that the capital, if it is ever to be repaid, will also, if silver depreciates, require so much more gold of course to pay it off?—Certainly.

1139. Whilst this Committee has been sitting, there has been a loan raised for India in England of 4,000,000 *l.*, which represents another increase, does not it, of the home requirements?—Another increase of 160,000 *l.* a year for the interest on the loan.

1140. Therefore, so far as that cause takes place, there will be an influence at work represented by the amount of interest which will have to be paid affecting the depreciation of silver this year, which was not in operation last year?—For three months it will enable the Government not to draw on India. In three months they generally expend about four millions; a four-million loan will meet the home requirements for three months; for three months it will have the effect of possibly preventing the exchange from going down. At the expiration of those three months, it will decidedly have the additional effect of lowering the exchanges.

1141. Therefore, if it has any effect at all, it is simply a temporary expedient?—To make things pleasant for three months.

1142. Do you wish to give any evidence about the increased production of silver; have you looked into the matter at all?—I simply know from what the American reports say.

Mr. *Hermon.*

1143. When you spoke of the alteration of the rupee in the year 1835, you spoke of the Government; I suppose you alluded to the operations of the old East India Company?—Yes, as at that time they were the Government of India.

Mr. *Mullholland.*

1144. The exports to India are shipped on account of English merchants chiefly, are they not?—No; I should suppose, of the whole trade of India, about 70 per cent. of it is now conducted by natives of India, Greeks and Germans, and only about 30 per cent. by English merchants.

1145. They get the proceeds for which the goods sell in this country; they are not bought out in India by the shippers?—Whoever ships the produce gets the proceeds.

1146. So that it really does affect the ultimate exchanges, the price at which the goods are realised?—Yes, a low exchange is in favour of an exporter from India. If, for instance, with an exchange at 2 *s.*, a shipper consigns 1,000 rupees in value, it has to realise at home 100 *l.* for a remittance to cover the shipment; with an exchange at 1 *s.* 9 *d.* its realising 88 *l.* covers it. A low exchange is in favour of the exporters from India, and against exporters from this country to India.

Mr. *Mullholland*—continued.

1147. I think you alluded to the formation of railways as having a tendency to check exports by raising the price of wages; ought not the money expended on railways to have increased the productive powers of the country?—I think you must take into account that you are dealing with a population of 240 millions; and, with the exception of some peculiar articles, the amount that they export is comparatively small in comparison with the local consumption. The local consumption in India is very great, and the exports of many articles are small in comparison with the local consumption.

1148. You do not think the railways have increased the production more than it has increased the local consumption?—No, not the power to continue increasing exports at the consequent enhanced prices in production of many articles.

Mr. *Hubbard.*

1149. You spoke of the export trade of India being conducted by Greeks and Germans, where are those Greeks and Germans domiciled?—Principally in London.

1150. It is not a trade between India, Greece, and Germany, but between India and London only, conducted by the houses having Greek and German principals?—Yes, principally Greeks.

1151. It must be looked upon, after all, as a British trade?—Entirely. They are really most of them British subjects.

1152. Do you imagine that those houses have their houses of agency in India, or are they in communication and correspondence with Indian houses having an independent position?—Most of the Greek firms have firms of their own in India, as a rule.

1153. In fact, it is a double trade; it is a process of export, and of the import of the proceeds, but conducted for the sake of one establishment located in London?—Yes, and they having all affiliated establishments in India. In fact, they are doing, and are the real merchants who do, the export and import trade between this country and India.

1154. So that the trade between India and England must not be looked upon as the independent operations of two distinct countries, each of them exporting to the other; but it must be looked upon as the operations of English capital sending its exports to India and bringing back the proceeds in Indian produce?—Yes, so far as concerns the trade of the United Kingdom.

Mr. Henry Waterfield, re-called; and further Examined.

Mr. *H. Waterfield.*

Chairman.

1155. You have prepared some more statements for the use of the Committee?—I have.

1156. Will you state what they are?—The report of Consul Booker on the trade of California for the years 1874 and 1875, in continuation of the Papers which I put in on the last occasion; an extract from a report on statistics of mines and mining in the States and territories west of the Rocky Mountains for the year 1874 by Mr. Raymond, the United States Commissioner of Mining Statistics. I have also the figures of the imports and exports from India, of gold and silver for the months of February and March, which, with the permission of the Committee, I will add to the figures that I have

Chairman—continued.

Chairman—continued.

have already put in. (*The same were put in*, vide *Appendix*.) I have also prepared a statement comparing the figures that have been laid before the Committee in various reports on the subject of the production of gold and silver in the United States (vide *Appendix*.) I have also a paper comparing the figures on the production of gold and silver during this century, which I have thrown similarly into a comparative form for the use of the Committee (vide *Appendix*). And I have a statement exhibiting the production of the mines in the Comstock Lode, Storey County, Nevada (vide *Appendix*).

Mr. *H. Waterfield.*

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Mr. Ernest Seyd, called in; and Examined.

Mr. *E. Seyd.*

Chairman.

1157. I think you have given your attention to this question of silver for some time past?—Yes.

1158. Among other points you have considered the amount of silver and gold in circulation in different countries, and at various times?—I have.

1159. I think you have stated in one of the papers which I have read, the amount of gold and silver which you consider to be in existence in England?—I have.

1160. Will you give us those figures?—I have two statements here, one giving the general result, and one analysing it.

1161. Will you give me the general result in the first place?—The general result would be that, before 1870, there was 700 millions sterling in gold money in existence, and 650 millions in silver.

1162. Do you include India in that?—I include India; all gold and silver, which would be either in the shape of money, or in bars held for monetary purposes, exclusive of silver or gold held by way of ornament.

1163. What authority can you give for those figures?—There are a number of authorities which I have consulted; one of the principal ones are researches made by the Belgian Government.

1164. M. Malou?—M. Malou. Besides that, I have made my own researches as to the coinages made from time to time in the various countries, which are here at the disposal of the Committee.

1165. Have you been able to ascertain those figures in such manner that great confidence can be placed in those aggregate amounts of gold and silver?—I think so. I have obtained most of these returns from the Mints themselves. I have the returns of the British Mint, the French Mint, the German Mint, and so forth.

1166. With regard to the total amount of gold, you have stated that before 1848 the amount of gold current in the world was 400 millions?—Yes.

1167. On what does an estimate of that kind rest?—You will find works by Humboldt, Jacob, and other authorities, which would very nearly show you that some such amount as 400 millions would be a fair estimate.

1168. Since then 350,000,000 *l.* has been added?—Up to 1875.

1169. Though the total production has been 500,000,000 *l.*?—Yes.

1170. What has become of the difference?—That has gone by way of ornaments, jewelry, and otherwise.

1171. Out of 500 millions, 150 millions has gone for that purpose?—Yes.

1172. How can you discover how much has gone for that purpose?—That is a mere matter of inference. We know pretty well what has been coined since 1848. In fact, the evidence as to coinage is almost absolute.

Chairman—continued.

1173. Therefore, you have deducted the absolute amount for the coinage, and assumed that the remainder had been used for other purposes than coinage?—Yes.

1174. You have arrived at the idea that the present stock of gold coin and bar gold is 750,000,000 *l.* sterling?—Yes.

1175. You add the 350,000,000 *l.* to the 400,000,000 *l.* which existed before 1848?—Yes.

1176. Then you assume that since 1848, the amount of gold has almost doubled?—Very nearly doubled.

1177. What was your amount of stock of coin as regards silver?—£. 650,000,000.

1178. Can you analyse that in the same way as regards any particular dates?—Very nearly so. The coinage of silver of 15 out of the 36 States amounts to 740,000,000 *l.* No definite information can be obtained in reference to the others. The 740,000,000 *l.* has been coined during this century alone.

1179. What remaining stock of coin do you assume?—£. 650,000,000 I assume as remaining.

1180. What amount would you assume as regards silver, in the same way as you take away 150,000,000 *l.* from the gold stock for purposes of ornament?—That I cannot just now state; but the production of silver from the year 1801, at the minimum estimate, has been more than 900,000,000 *l.*; and the balance, I infer, has gone into other uses.

1181. £. 900,000,000, you assume, to be the total production, and of that 650,000,000 *l.* has gone into the coinage?—Yes. That is to say: 650,000,000 *l.* remains at the present time, not out of the production during this century alone, but out of the total stock existing before 1800, and the production since. The stock at the end of the last century is estimated at 800 millions by way of minimum.

1182. Then, as regards the currency in England?—The currency in England, including the stock of gold in the Bank of England, which I look upon as virtually in circulation, amounts to 130,000,000 *l.* of gold, and 15,000,000 *l.* of subsidiary silver coin.

1183. What is your authority for that amount of 15,000,000 *l.*?—I take that from the amount of coin which is manufactured, which amounts to 24,600,000 *l.* from 1816 to 1875 inclusive; and I deduct from that such quantities of silver as have from time to time been withdrawn. It is just possible that this estimate of 15,000,000 *l.* is not strictly accurate.

1184. Do you believe it to be a minimum or a maximum?—I believe it to be rather a maximum.

1185. On the whole, you would think there was less in circulation?—There may be less than 15,000,000 *l.*

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Chairman—continued.

15,000,000 *l.* According to my researches, there must be more than 14 millions.

1186. Will you now go to France?—In France I estimate the quantity of gold money present before 1871, at 260,000,000 *l.* sterling, 70,000,000 *l.* of silver money of full legal tender value, and about 14,000,000 *l.* of subsidiary change.

1187. How have you arrived at the figures of 260,000,000 *l.* for the gold?—I again take the total coinage of France, which amounts, from 1795 to 1872, to 309,000,000 *l.* sterling. I must mention that this 260,000,000 *l.* of money is my estimate before 1871, before France made the payment to Germany.

1188. You have taken the whole of the gold that has been coined?—Not the whole of the gold. I deduct something like 40,000,000 *l.*, and add the stock of gold at the Bank of France.

1189. How are we to infer that a larger amount of that gold has not left France?—It has since left France, I admit; this estimate is, as I state, before 1871.

1190. Even before 1871, how do you arrive at the amounts which you deduct from the total amount coined?—The bulk of the coinage of 300,000,000 *l.* has been made in France in the last 26 years.

1191. What is the figure of what is coined?—£. 309,000,000 has been coined altogether during the century.

1192. From that you deduct only 49,000,000 *l.*?—That is all.

1193. Have you compared that with the exports of gold from France?—I have.

1194. You have not been able to ascertain any amounts that have gone from France to Germany previously to 1871?—I have not. The Custom-house statistics fail to account for sums carried by passengers.

1195. Do you believe that 260,000,000 *l.* circulated in France?—Yes, and I think that statement is borne out by the Finance Minister himself, M. Magne; he stated the same. My statement includes the stock of bullion held by the Bank of France, which amounted to 55,000,000 *l.*

1196. Then you assume that in France, notwithstanding the silver currency, they have got twice the amount of gold in circulation to what they have in England?—Yes.

1197. And that if you add your estimate for the silver circulation and the gold circulation together, there was, previously to 1871, a metallic circulation of 300,000,000 *l.*?—Yes, of between seven and eight milliards of francs, say from 280 to 320 millions sterling.

1198. I understand you to say that your views are borne out by the French authorities?—They are.

1199. Have they been disputed by others?—They have been disputed as far as the quantity of silver at present in France is concerned. It has been stated that there is much less silver than what I assume.

1200. Have you corrected your figures up to the present date?—Not up to the present date. My statements are based upon the *status quo* of 1871.

1201. With regard to Germany, what estimate do you form of the amount of silver and gold in circulation there?—The amount of gold in circulation in Germany before 1871, I estimate at 30,000,000 *l.*, that of full-value silver at 60,000,000 *l.*, and of subsidiary silver coinage at 16,000,000 *l.* Since then considerable changes have taken place by the coinage of gold in Germany, and the sale of certain quantities of silver.

Chairman—continued.

1202. Have you made any calculation as to the amount of silver which you believe to be still in circulation; the amount that the Germans still have to sell?—Yes, that would amount to about 30,000,000 *l.* sterling.

1203. Can you state very roughly how you arrive at that figure?—I must mention that I have arrived at that figure by a comparison with the statements made semi-officially, which I think are rather understated. To a certain extent this rests on inference. The allegation that Germany, after parting with only 6,000,000 *l.* of its silver coinage, should have left only an amount sufficient for the limited token coinage, is contrary to the fact that full-valued silver coin has hitherto been the staple of the German valuation, as sovereigns are the staple here; and even the bank note issues did not exceed 30,000,000 *l.* Notwithstanding the authoritative statement put forth, I am of the opinion that the estimates made for the disappearance of silver in Germany by melting and abrasion are most extravagant. In certain districts of Germany gold has scarcely appeared, and the quantity of silver thalers in circulation appears as large as before. A justification of my view as to the quantities of silver in circulation in Germany before 1872 lies in the fact that, according to the statement put forth, a sum of no less than 31,000,000 *l.* of French, German, and Dutch silver coins have been sent across the frontiers; and if, before 1872, the home-coined thalers formed the greater part of the silver circulation, as it is well known they did, the sum left must be far in excess of what has been assumed. My opinion is that it is fully 30,000,000 *l.*; the estimate of Dr. Soetberr is that nearly 22,000,000 *l.* sterling of silver is yet in circulation in Germany.

1204. He is a statistician of eminence?—Yes, although he approves of the steps taken in Germany, he himself criticises the statement made by the Government.

1205. His view is that there are how many millions?—£. 22,000,000 of thalers yet in circulation—full value silver money.

1206. Would a portion have to be deducted for the new coinage, or is that after making allowance for the new coinage?—A portion of that will have to go into the new coinage, but not much.

1207. You are aware of the amount fixed for the new coinage?—Ten marks per head of population.

1208. That is altogether 21 millions?—Yes.

1209. Are you aware how much has already been coined?—I am not aware how much has been coined up to the present day; I believe the amount is nearly 10 millions; the coinage is continually proceeding.

1210. That would leave 10 millions more to be coined?—As the outside limit 10 millions will not be coined, in all probability.

1211. Why do you assume that it will not be coined in all probability?—We go pretty nearly by the experience in France. In France eight francs were assumed as the outside limit, but it has not been fully carried.

1212. You mean all subsidiary coinage below five francs?—Yes.

1213. But

Chairman—continued.

1213. But as you have a five-franc piece to do a certain amount of work in France, and as you have got no gold piece under the 10 marks, would not they require more in Germany?—Ten marks is also accordingly more than eight francs; is a higher amount, it is nearly 50 per cent. more.

1214. Would not you require more subsidiary currency in a country where the unit is 10 marks than in a country where the first coin which is full weighted is five francs?—You mean from the use of the five-franc piece the average of the subsidiary coinage in France would be less than in Germany?

1215. Certainly; would it not be so?—That would be so; I admit that.

1216. In a country with the first amount of five francs of full weighted coin you do not require so much subsidiary currency as in a country where the first full weighted coin is 10 marks?—Where the gold valuation prevails.

1217. In fact every sum between five francs and 10 marks would have to be made up, as it were, by additional subsidiary coinage?—Quite so.

1218. If anyone in France had to pay eight francs he could pay five francs in a full weighted coin and three francs with subsidiary coinage?—Just so.

1219. But if in Germany under the new system he had got to pay the same amount, eight francs, he would have to pay the whole of it in subsidiary coinage?—Yes.

1220. There being no amount under the full weight coin of 10 marks?—Quite so, on the same system as exists in England.

1221. The consequence would, therefore, be that circumstances would require that the estimate of eight francs which was taken for France would not hold good in Germany, the conditions would be different?—That is a matter of experience. Here in England, with our somewhat higher standard of prices, the circulation of subsidiary silver does not reach 10*s.* a head.

1222. Theoretically if you argued from one to the other that argument would break down, would it not, because the circumstances would be different, but experience might influence the matter differently?—Quite so, upon the mere argument of the case it would seem that Germany would require more subsidiary coinage than France.

1223. So far as the argument is derived from the single point of the eight francs having been fixed for France when a five-franc piece was a full weighted coin?—Yes.

1224. Assuming that they coin the 10 millions which they have estimated they would have to coin, would that have to be deducted in your calculation from the 30 millions or not?—That would have to be deducted from the 30 millions.

1225. Do Dr. Soetberr's calculations correspond to about the date when you would estimate that the 10 millions had already been coined?—They do; they stand upon the same basis. My assumption merely is, and I say it is an assumption, that the amount is larger than that taken by the Government or by Dr. Soetberr.

1226. You would calculate that there might be more even than the 30 millions of which you have spoken?—Quite so; I think the calculations made by the German Government as to the quantity of coin actually consumed are far too high; there is probably not one-fifth of the amount which they have taken.

Chairman—continued.

1227. Will you state your grounds for that?—The grounds are very simple, the assumption is that the abrasion of coin, as a rule, has been between half and one per cent. per annum, whereas in reality it is scarcely one-twentieth per cent.

1228. Have you gone pretty fully into the question of the amount of German coin still remaining in circulation?—I have gone into it as fully as my data would permit.

1229. Are you aware why the German Government have arrived at the opinion that so much silver has already left the circulation? You spoke of abrasion; would not that be a single and very small cause?—A very small cause indeed; it would not consume a million sterling of the entire amount during the century.

1230. Then there would be the melting down of the silver?—The melting down for purposes of plate, even taking it at the very highest average, would not amount to 10,000,000 *l.* sterling from beginning to end.

1231. Then there is the melting down for purposes of export?—The only exportation that has practically taken place has gone through Hamburg, and that amount is also a good deal less than the statements made according to my experience.

1232. Are you not aware that there has been a melting down in South Germany, too, of silver, which has been exported, *viâ* Egypt, for instance?—I am not aware of any large quantity having been melted down, but a portion has no doubt been so absorbed.

1233. Have you gone into the question as to the amount of silver in the coins at various times in Germany, to show that at some periods it would have paid to melt down the silver in order to get the gold out of it?—That has been the case; some of the old thalers contained gold, and so did some of the old guilders.

1234. Have you made an allowance for that in your calculation?—I have; all that business was conducted at Hamburg principally, and some at Frankfort.

1235. Have you made an allowance for the melting down of the florins?—I have; taking the entire coinage of Germany at 98,000,000 *l.* sterling, I have added to that which forms a most important element in considering the question of the quantity of silver in Germany, the coins of foreign countries which were in use in Germany, and I have mentioned that after 1871 the German Government exported no less than 30 millions sterling of those coins. There were nearly 20,000,000 *l.* sterling of five-franc pieces, 10,000,000 *l.* of Dutch guilders, and also a large quantity of Austrian pieces. My estimate is that of this total of coin there remained in 1871, 60,000,000 *l.* sterling in Germany; that would in itself be an allowance of 68,000,000 *l.* having disappeared. Besides this, there was a considerable stock of bar silver in the banks.

1236. We have had evidence in detail before us, showing that the coinage of Germany was 89 millions; how do you arrive at 98 millions?—I think you will find that the total statistics give 98 millions.

1237. The official statistics give 89 millions?—Up to the latest date?

1238. Yes, up to the commencement of the monetary changes in Germany?—I think you will find in M. Malou's statement that it was 98 millions,

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Chairman—continued.

up to 1873, but this already includes a portion of the new subsidiary coinage.

1239. Can you speak from your own knowledge of the examination of German official documents?—Partly by the examination of official documents and partly by other statements.

1240. Can you tell us anything with regard to silver in Russia?—There are no statistics published by Russia as to the quantity of coin; Dr. Linderman alludes to a report which the Russian Government makes. The great bulk of the Russian silver has all disappeared; it has all been exported.

1241. Can you state what you believe to be in Austria at the present moment?—That I am not prepared to say; the quantity was very small, but I hear that a number of florins have been reimported.

1242. Can you tell us the amount of silver in stock in the United States?—The subsidiary coinage of the United States has almost entirely disappeared; they are now endeavouring to reestablish one; practically the old silver dollars have long been exported.

1243. Do you lay it down that practically there is no silver in the United States at all at present?—Except the stock which may be held provisionally as it comes from the mines, there is no silver in circulation, or a very small quantity only.

1244. No silver worth taking into account?—No silver worth taking into account.

1245. How much gold do you estimate there to be in the United States?—With the exception of the Western States and California there is practically no gold current in the United States. The Treasury, as well as the New York banks, hold a certain stated quantity.

1246. Will you state that quantity?—Thirty millions sterling I take to be the quantity of gold at present in the United States.

1247. Divided between the banks and the Treasury?—Yes, and in circulation in California.

1248. Can you separate the three items?—I have not the data here, they are in the American official documents; they vary of course; now and then the Treasury hold more, and the banks hold variable amounts, as the exchange varies.

1249. Previously to 1848, what metallic currency did the United States have?—I have not been able to get any definite statistics as to the quantity; it is more a matter of inference. The American coinage has always been liable to export; from the very beginning their coin has always come to Europe, so that it would be exceedingly difficult to fix upon any quantity at any definite period.

1250. I think you have stated at one time some views with regard to the amount of metallic currency; for instance, that the metallic currency was far larger before 1848 than the 20 millions of gold now held by the banks and the Treasury?—That would be indicated by the rate of exchange which then existed in the United States. By way of inference there must have been a larger quantity of coin at that time before 1848, comparatively, than since, because there was no premium on gold.

1251. What was the total amount of gold produced in America between 1848 and 1875?—I do not have the precise statement at hand here, but Dr. Linderman gives the quantity. I must mention that the publication of mine, to which you refer, is merely a condensed account of what I ventured to submit at the Society of Arts.

Chairman—continued.

1252. I think you have studied the question as regards the use of silver apart from its use as coin?—I have.

1253. Can you give the Committee some statistics upon that point?—In M'Culloch's Dictionary there appears, quoted from Porter's work, the quantity of gold and silver consumed in this country from 1801 to 1850. I have since, through the courtesy of Sir Wm. Stephenson, the Chairman of the Board of Inland Revenue, obtained similar returns, from 1852 to 1875, of the amount of duty paid respectively for gold and silver and the drawback, and at the calculation of the duty on plate of 18*s.* for gold and 1*s.* 6*d.* per ounce for silver, I have been able to make up the account. It appears according to that, that the consumption of silver in this country has fallen off. In 1810, for instance, we consumed 1,171,000 ounces, whilst in 1871 we consumed only 598,000 ounces of silver. The Table containing these statistics will be found in the journal which I will put in. (*The same was put in,* vide *Appendix*).

Mr. *Fawcett.*

1254. That gives no estimate whatever of the amount of silver that is used. That is only the amount used for silver plate?—Yes, and it includes the re-melting of old plate.

1255. The great quantity of silver is used for other purposes, is it not?—The entire quantity used for electro-plating amounts to under one million ounces per annum.

1256. You may draw much too wide an inference from these figures. These figures do not by any means conclusively prove that the use of silver has fallen off. They simply show that the use of silver has fallen off for one purpose?—For the specific purpose of plate.

Chairman.

1257. A million ounces is used for purposes of plate?—Yes.

1258. You estimate that another million of ounces is used for electro-plating?—Yes, and all my authorities agree that this is the maximum for England.

1259. Have you formed any estimate as to the total use of silver for manufacturing purposes in England?—Such an estimate can only be formed, with anything like accuracy, in this country. Expressing an opinion on the point, I should say that the absolute loss of silver in the total sterling silver and electroplate manufacture in this country amounts to about one million and a half ounces per annum.

1260. Silver is used for photographic purposes?—Yes, that quantity is small; it is under 30,000 ounces per annum.

1261. Having given your attention to this, and endeavoured to collect together all the purposes for which silver is absorbed, can you state to the Committee any others besides those which have been mentioned?—Silver is used for medical purposes, nitrate of silver, and for hair-dye; but that is probably a very small amount.

1262. Your belief is, that the total amount of silver used for manufacturing purposes in this country is comparatively an unimportant element in the calculation?—Unimportant, comparatively, in the question of supply and demand.

1263. How many million ounces does it amount

Chairman—continued.

amount to, according to your views, as a maximum statement?—In England alone?

1264. Yes?—Two million ounces might be the maximum at times.

1265. That would be the value of how much?—£. 300,000 or 400,000 *l.*

1266. Have you made similar inquiries in other countries?—I have, as regards France.

1267. Can you give us any details?—No official details, because there is nothing officially published in France. It would be only a matter of inference by way of inquiry into the various trades.

1268. What estimate have you arrived at?—In this country we use more electro-plate than in France, but in France the consumption of solid articles is rather larger than here.

1269. You would take a larger amount for France?—Yes.

1270. Would you take 1,000,000 *l.* sterling per annum?—Hardly as much as that. I should say that the consumption in France is between 400,000 *l.* and 500,000 *l.*

1271. In Germany?—In Germany it would be a great deal less than in England.

1272. Why?—There is not so much silver plate used, and what is used is very thin.

1273. Do not the German peasantry, much more than the English of the same class, collect a certain amount of silver spoons, with which they make presents to their daughters when they marry?—Quite so; the same as in France. The great consumption of silver plate in this country is among the higher classes, but in France, as well as in Germany, it is among the lower classes.

1274. Would not that be a reason why there should be more used in Germany than in England?—I hardly think more would be used in Germany than in England, but that again, to a great extent, is a matter of opinion. There are no statistics, and nothing at all available. A kind of judgment might be formed by the quantity of silver refining that goes on in the country, and that is a great deal less in Germany than here or in France.

1275. Adding up the amount used for electro-plating, photography, and all other purposes in Europe, would not it come to a considerable amount?—It would amount to between one and a half to two and a half millions sterling.

1276. For all countries together?—For all Europe together.

1277. But you have already allowed one and a half million for England only?—I meant one and a half million ounces, not sterling. It is possible that in one year there might be a rise in the consumption of silver to a million ounces, and that more might be used for plate. These are contingencies of trade.

1278. Will you state, in your own way, the amount of ounces which you consider would be likely to be used in England, France, and Germany respectively?—Between five and six million ounces.

1279. Do you make any allowance for the rest of Europe?—I have not gone very closely into all the rest of Europe. Even for Europe it is a matter of inference. The chief consumption takes place in the three States named.

1280. I think generally, in your published writings on the subject, you have almost eliminated the idea of the consumption of silver for manufacturing purposes; you have treated it as a trifle nearly everywhere?—Not as a trifle, but I have treated the statements which were made in reference to the enormous consumption as being exaggerated. My object principally was that of showing the exaggeration.

Chairman—continued.

1281. In fact, you were answering other estimates that had been made?—Quite so; that was my object chiefly.

1282. Which dwelt on the loss by abrasion and other things, and expressed views which you do not share on the subject?—My statements had been challenged, and I endeavoured to support them by more exact evidence.

1283. Have you gone into the question of the consumption of silver for purposes of ornament in India?—I have not; not anything like original research; I have taken statements made by others as the foundation.

Mr. *Baxter.*

1284. I want to clear up one point with regard to the United States; you said there was no subsidiary coinage in the United States at present, and they were endeavouring to establish one. It is a fact, is it not, that they are coining now with a view of replacing the fractional currency?—They are proposing to do so.

1285. At this moment are they not coining a very large sum indeed, and going on rapidly?—They are beginning to do so now.

1286. With a view of replacing the whole of what is called the fractional currency?—Yes.

1287. Have you formed any estimate of the amount of silver that would be required to replace that currency?—The estimate will be in accord generally with what would be used here. The United States having adopted the gold valuation, about the same proportion of silver currency can circulate in the United States as is circulating here.

1288. The same proportion to the population?—Yes; as a simple test you may take it, as a rule, that it would amount to two dollars or two and a half dollars, supposing the system became complete.

1289. That would be 15 or 16 millions sterling?—Yes.

1290. A large portion of the produce of the American mines, I suppose, is now being absorbed for that purpose?—Yes; I maintain, however, that in the United States they will not be able to keep the silver currency in circulation so long as their premium on gold exists. It is a matter of contention now whether the silver coinage can be maintained. The moment the price of silver in this country rises to 55 pence it would be exported.

1291. The new coinage of the American Government would be exported to this country?—Yes, to this country.

1292. Would not it be replaced by fresh coinage?—That would also be exported again. The premium on gold in the United States being 13 per cent., and the difference between the subsidiary coinage and the full value coinage only 9 per cent, there would be a margin of 4 per cent. towards the export of the subsidiary silver itself.

Chairman.

1293. The subsidiary coinage being coined with a margin of 9 per cent. at present?—At present.

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Sir *Charles Mills.*

1294. You have got an impression, I believe, that the depreciation of silver has not been caused to any extent by the low prices of Indian produce?—No, I do not think it has been caused by that.

1295. Is not less silver required for the purpose of paying for Indian produce?—That would be the case in the event of the Indian trade having fallen off, but the Indian trade has not fallen off. The sending of silver to India is entirely dependent on the balance of trade.

1296. It has fallen off in value?—Scarcely, according to the statistics. The only thing that appears to have checked the import of silver into India from here, are the Council drafts, which are now larger than they were formerly.

Chairman.

1297. There is one question with regard to the American coinage; I think at one time the Americans coined in the proportion of 16 of silver to 1 of gold, did they not?—Nearly 16. Their old dollar weighed 412½ grains.

1298. Can you explain that to the Committee?—Under the old Coinage Law of the United States, which maintained both gold and silver as the standard, the proportion of silver to gold was taken as 16 to 1, whilst the proportion elsewhere was 15½ to 1; and one of the consequences of this arrangement was the immediate export of the American dollar.

1299. Will you explain to the Committee how that occurred, and the operation that would be performed?—The American silver dollar was accordingly cheaper by about 3 per cent. than the five-franc piece.

1300. It contained so much less silver?—It contained three per cent. more.

1301. If it contained more, how was it cheaper than the five-franc piece?—The American dollar contained 3 per cent. more silver than the proportion which was universally accepted, assuming that proportion to be 1 to 15½. The American old dollar ought to have weighed 400 grains, instead of 412½ grains.

1302. Was the operation this, that that coin would be brought over, we will say to France, then it would be melted down and coined into a five-franc piece, and there would be so much over which could be sent back again to America as profit?—Quite so; profit was made on the melting down of the American dollars.

1303. The five-franc piece could then be changed into gold again; that gold could be taken over to America and the operation repeated?—Just so.

1304. But the point was that the silver coin weighed so much more than the five-franc piece, it contained so much more silver?—It contained 3 per cent. more silver than the usual average of legal tender silver coins.

Mr. *Baxter.*

1305. Is the new coin to contain that additional quantity of silver?—Their new trade dollar is still heavier, it contains 420 grains; it is consequently worth about 5 per cent. more than the five-franc piece, in the relative proportion.

1306. The old dollar was worth 3 per cent. more than the usual average?—Yes.

Chairman.

1307. To make it clear with the same amount of gold they could, through the system of the double standard, be able to get a certain amount of silver in America and a certain amount of silver in France?—Yes. That is to say, they would buy more silver in America for the same amount of gold, because America adopted a proportion between gold and silver different from that of the other States of the joint valuation.

1308. And the amount that they got for the same quantity of gold in America was 3 per cent. larger than they would have got for the same amount of silver in France?—That is the correct way of stating the case. It is independent of the question of what is called the double standard.

Mr. *Baxter.*

1309. Three per cent. formerly, but the new coins I understand to be of eight grains more value?—America has abolished the old dollar and now coins a trade dollar which is still heavier, and contains 420 grains, and of course gives more silver still than formerly.

1310. What is the per-centage of difference between the coin that the Americans are now coining, the new coin, and the value of silver coinage in Europe?—At the rate of 1 to 15½, the value of the silver coinage in Europe, the American dollar ought to have weighed 400 grains, but was coined at 412½ grains; the new dollar at 420 grains gives an additional 2 per cent.

1311. Is that 6 per cent. in all?—The exact difference is 5 per cent.

Chairman.

1312. As I understand, the American Government is now performing two monetary operations?—Quite so.

1313. The one is replacing the fractional currency which has been in bank notes by silver token coins?—Yes, by subsidiary silver coin.

1314. And the difference is in one respect like our shilling, that they are coined avowedly under the value?—Precisely the same system as customary under all the systems of the gold valuation.

1315. On the other hand, they have been coining trade dollars, have they not, for export to China and Japan?—Yes.

1316. But that has been under a totally different operation?—That is an entirely separate system, so to speak, although the trade dollars were legal tender.

1317. Those trade dollars were legal tender, and were coined with reference to gold rather on the system of the double standard than as subsidiary coinage?—On a compromise, so to speak, between what you call the double standard and the gold valuation.

1318. And they were coined, not in the proportion of 15½, which is the ordinary proportion in those countries that have got the double standard, but they have been coined in the proportion of 1 to nearly 17?—The proportion would be 1 to 16¼.

1319. The Committee, I think, may understand, may they not, that the trade dollar is made cheaper, so to speak, not by mere alloy being put in, but by more silver being put in?—By smaller division; the ounce of silver is divided into less pieces, if I may so express it.

1320. No; you have explained to us that when the United States before coined silver dollars which were exported when the proportion

was

Chairman—continued.

was 1 to 15½, the nominal silver piece weighed more than the piece corresponding to it in Europe, and that, therefore, it was exported in order that there might be the profit of the extra weight?—Just so.

1321. Is the same the case as regards these trade dollars?—That is not the case at present, because, although the new dollar is still heavier, the price of silver has fallen in Europe. States like Germany and France do no longer purchase silver, therefore the trade dollar does not come to Europe to be exchanged for gold, and converted into other silver pieces of legal tender, but is exported to China only.

1322. Have the United States followed an analogous course in coining these trade dollars, that they have debased the silver by putting more silver into the coin while only allowing it to circulate for the same amount?—Just so.

1323. They have not done this: they have not made a debased coin by saying that this dollar shall contain so much less silver and so much more alloy?—They have performed the contrary operation, so to speak.

1324. The silver coin is really worth more, and not less?—It is worth more.

1325. You have used the term "to debase the currency;" it is not that they have debased the currency, but they have made the currency even more valuable; they have debased the silver by assuming that it stood in the relation of 1 to 16¼ to gold instead of 1 to 15½?—They have debased their Mint price for silver, if we may assume that the division made at the Mint determines the Mint price.

1326. But the coin itself contains more silver, and is, so to speak, the better coin, and therefore is exported?—Yes.

Mr. *Cave.*

1327. What is the object which the United States have in incurring this loss to the country?—The actual object is a matter of controversy. We should look upon this step as a deliberate step towards debasing silver; as one injurious to the silver interests of the United States. They might have said: "We will put 450 grains of silver into this dollar" with just as much or as little reason as they have determined upon 420 grains.

Mr. *Fawcett.*

1328. They were recognising the certainty of silver to depreciate?—They have, so to speak, forestalled it. They were the first of the nations who deliberately debased silver 5 per cent. by virtue of the law.

1329. You are not aware that the object stated has been, that they wanted to drive out, and to have better dollars than the Mexican dollars which used to circulate?—No doubt that is part of their object, to find a market for their silver in the East by offering to the Eastern people a better dollar.

1330. I have seen it stated, that formerly the Mexican dollars were excessively valued in China, and that the Americans thought that they would have a silver coin which should compete with those favourite dollars?—Just so; the Chinese people would soon find out that there was more silver in the new American dollar, and accordingly favour it.

Mr. *Cave.*

1331. Is not that the case to a still greater extent in the old Colonato dollar?—To a certain extent.

1332. That was still more favoured than the Mexican dollar, was not it?—Yes. Altogether the dollars have been a matter of fashion, so to speak, in China. Then the Mexican dollar went to a very high premium. The Hong Kong dollar was never accepted by the Chinese, and now they are likely to accept the American trade dollar.

Chairman.

1333. Did the American Government not coin these dollars in this proportion of 1 to 16¼ before the great fall in the price of silver?—Yes, quite so. The law was passed before the price of silver fell as it has done.

1334. And it was passed rather with a view to the commercial relations between America and Japan, than looking to the financial position of gold and silver relatively to each other?—It was a transaction entirely independent of the controversy.

Mr. *Hubbard.*

1335. You have your book there; please open at page 96?—I give the details of the matter.

1336. You state there that "the United States have within the last three years coined a new silver dollar, not for legal circulation, but for export to China and India; have they made that dollar 378 grains fine?" Can you tell the Committee what were the contents in fine grains of the old dollar, that being the new one?—In this very paper there is the statement. The old dollar weighed 412½ grains; 900 fine.

1337. If you can give me the fine grains of the other, we shall be able to make the comparison?—That would be about 371 grains fine.

1338. If the other were 371, and this were 378, this was better than the old one, and not worse?—The coin is larger by seven grains of fine silver.

Chairman.

1339. The silver has been debased by making a better coin to do the same work?—I draw a distinction between the debasement of the coin and the debasement of the material. I will furnish you with the exact detail of these matters in a Supplementary Report (*see* Appendix).

Mr. *Hubbard.*

1340. The depreciation in the price of silver was an event which was acknowledged throughout the world, and not peculiar to the United States?—Yes, it is an international matter; it is a question of international value.

1341. Has not silver fallen all over the world?—All over the world it has.

1342. Therefore it had fallen in the United States as well as in Germany, and France, and England?—Quite so.

1343. Why, therefore, do you reproach the United States with wantonly debasing silver; silver had fallen because it was more abundantly produced, and the demand for it was not equal to the improved supply?—That would raise the entire theory of the case which you are anxious to avoid, what caused, or who started the debasement of silver? The United States have contributed towards the fall in the price of silver; they were the first, at all events,

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Mr. *Hubbard*—continued.

who contributed officially to the fall in the price of silver. The Germans merely demonetised it, but the Americans deliberately adopted a lower price by their Mint law. It is for that reason I think I am justified in saying they practically were the first to debase its value.

Mr. *Fawcett.*

1344. Using the word debased as applying to the conduct of the United States, although that word usually implies censure, when you say the Government has debased the coinage, you do not mean in this case in the slightest degree to censure the United States, do you?—I do mean to censure them.

1345. Why?—Of course this is a matter of controversy. The question asked is, what was the object of the United States in making this change? There is a legitimate object, and there is an object which is not a legitimate one, but that is a matter of opinion. I consider that the United States did wrong in first lowering the price of silver by their Mint law.

Chairman.

1346. You say in your published lecture they did it for the purpose of driving out and taking the place of the Spanish and Mexican dollars there current?—Yes; that is the avowed object.

1347. Do you believe, as far as you have been able to ascertain, that that was the real object?—The real object.

1348. And it was incidentally that they forestalled the fall of silver; do you think that when they took this step, they had it in their minds "Silver is going to fall, and therefore we had better establish a new relation"?—I think that was incidental, not founded on anything like scientific research; for instance, if the United States had lowered their coin from 412 grains to 415 grains, the effect would have been just the same, only the lowering of the price would have been less than what it is now; but they adopted 420 grains, because it seemed to be a round sum. That this proceeding did not involve any design founded on, or elucidated by calculation as to the coming depreciation of silver, the event proves. The difference adopted is 20 grains or 5 per cent. from the normal price, but in 1876 silver itself had fallen 12 per cent. below that. I may mention at the time I had conversation with people from the United States about this very matter, and predicted some such result.

1349. They raised the dollar to 420 grains?—Yes.

1350. What was the old dollar?—Four hundred and twelve and a half grains.

1351. How do you get at the 8 per cent. difference?—It is not 8 per cent., but 8 grains upon the old dollar, or 20 grains upon the assumed proportion of 15½. The 5 per cent. difference between the 1 to 15½ is what I wish to point out.

Mr. *Fawcett.*

1352. Why do you think that, if silver is going to be depreciated, independent of the action of a Government, simply from the supply increasing, and the demand falling off, a Government can be said to act wrong, because, using your own words, they forestalled that event, and recognised it as a possibility?—Again, I may say, that raises the entire question; you allege that the fall in the price of silver is due to the natural cause of supply, I say that it is due simply to the legislative Acts which limit the use of silver. The question is what is the truth in that respect, whether there is any actual overwhelmingly greater supply, or, if there is, whether it would not be readily absorbed if the laws permitted it, without lowering the price, as they have hitherto done.

1353. I will not go into that question of theory, but your contention is that the depreciation of silver has not been due to an alteration in the supply of silver, and demand for silver, but simply to passing a certain law quite independently of the change?—To the killing of the demand by law; I use that word; the question of demand is as important in this case as the question of supply.

1354. If you recognise the killing of the demand as one of those things, you must recognise supply, because suppose you destroy one-fourth of the demand, the supply remaining the same must affect the price?—Yes.

1355. Therefore after all it comes to demand and supply, whatever causes you say the demand has been affected by?—I hardly understand this form of the question.

1356. I will not enter into the theory; I understood you to say that you do consider the depreciation of silver as being due to the demand and supply, and then afterwards I understood you to say that you thought the depreciation was due to Governments artificially affecting the demand; therefore you do think it does affect the demand and supply?—If I expressed myself in that way, I did not mean to ascribe the depreciation to the just action of supply and demand, for the depreciation is only due to the action of the laws against the demand, its annihilation by law.

Mr. *Cave.*

1357. I understood you to say that you objected to the United States tampering with their standard as the means of creating an additional demand for a particular coin in China and India?—I object to it on this ground, that it is only another contribution towards the depreciation of silver; that all States must follow the same policy.

1358. Tampering with the standard for the purposes of trade is something different, is it not?—Yes; but that is the avowed object mentioned in Congress, on account of which this law has been passed. Permit me to mention that the object for which I had prepared myself was that of showing to the Committee the actual state of the valuations, as far as they fall under population, and if the Committee would permit me to show that evidence, it is a short matter; it might perhaps be considered of some value.

Chairman.

1359. That is in your Paper, is it not?—It is contained in my Paper.

1360. Will you put that Paper in, separating it from matters of opinion?—I will do so. (*The same was put in,* see *Appendix*).

Monday, 8th May 1876.

MEMBERS PRESENT:

Mr. Baxter.
Mr. Cave.
Mr. Christopher Beckett Denison.
Mr. Fawcett.
Mr. Goschen.
Lord George Hamilton.
Mr. Hermon.
Mr. Kirkman Hodgson.
Mr. Hubbard.
Mr. Massey.
Sir Charles Mills.
Mr. Shaw.

THE RIGHT HONOURABLE GEORGE JOACHIM GOSCHEN, IN THE CHAIR.

Mr. WALTER BAGEHOT, called in; and Examined.

Mr. *W. Bagehot.*

8 May 1876.

Chairman.

1361. YOU have been for many years, I believe, the editor of the "Economist"?—Yes.

1362. I think you have given particular attention to this silver question?—Yes.

1363. Have you considered the relation between the depreciation of silver and the Indian exchanges?—I have devoted a certain amount of attention to it, and it appears to me to be almost certain that the first immediate effect of the depreciation of silver will be to cause an unfavourable balance of trade with the East; and, in consequence, a great export of silver to the East.

1364. It has been alleged that the depression of the Indian trade has in part contributed already to the depreciation of silver?—I should hardly like to give an opinion on such a point without reading the evidence which has been given before this Committee, which I understand has on this head been contradictory; it appears to me that, to a great extent, the depression in the trade has been common both to exports and imports; and, therefore, would not affect the balance of trade, or, in consequence, the exportation of silver to the East.

1365. If the fall in the value of the crops exported from India to England had been compensated by a corresponding diminution in the exports from England to India, trade might be depressed, but the price of silver would remain unaffected?—Quite unaffected as far as that goes.

1366. Do you share in the view that has been expressed that the drafts of the Council of India have contributed considerably to the depreciation of silver?—I should rather put it in this way, that the drafts in India represent an increase in the tribute, a beneficial tribute no doubt, which India pays to this country, and, of course, that being a payment which she has to make, alters the exchange, tends to make it unnecessary to remit silver from this country, and therefore diminishes the demand for silver.

1367. Do you believe that the fall in the price of silver has operated unfavourably, or is calculated to operate unfavourably, in Indian trade, either temporarily or permanently?—I should say that the effect of the depreciation of silver was to cause an increased export of goods from India to this country, a diminished export from this country to India, and, in that manner, to cause an unfavourable balance of trade.

Chairman—continued.

1368. Could you explain that a little more fully to the Committee?—I think the increase of the export of goods from India to this country will arise in this way: a merchant in London, who is thinking of importing goods from the East, looks at the price current in Calcutta, and he sees the price quoted in rupees. The merchant in London is in possession of sovereigns in London, therefore he has two operations; first, he has to buy his rupees in India; next, with those rupees he has to buy the article which he saw in the price current. The question of profit and loss to him is compounded of the result of those two operations; if, therefore, he can buy his rupees in Calcutta on more favourable terms, he will find it to his interest to go into a speculation which would not otherwise be profitable. If he can get rupees at 1 *s.* 8 *d.* instead of 2 *s.*, and he can buy his goods in Calcutta with the same number of rupees, that is so much extra gain to him. Conversely, the English exporter of goods to the East will receive payment in rupees, and he will have to sell those rupees; and if he sells them for a less amount of sovereigns, he will suffer a loss, and that is a discouragement to exporting from this country to India. The result of these two operations, of the encouragements of exports from India to this country, and the discouragement of exports from hence to India, necessarily is an increase of the balance which this country has to pay to India, and consequently a flow of silver to the East.

1369. And is, so far, a counterbalancing element tending to raise the price of silver as compared with the other causes which have been mentioned, which might depress the price of silver?—Quite so; and I should say a cause of even greater magnitude than any which tend to depress it.

1370. It is a rectifying cause?—A rectifying cause, and a rectifying cause of the first magnitude, because what I have said extends not only to India, but to all countries which have a silver currency. Those countries are the great majority of the world; the circulation of silver in those

Mr. *W. Bayehot.*

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countries is something enormous, and to all those countries you will have to send a certain amount if the depreciation of silver continues. The quotations of prices in all those countries are made in silver. Traders with those countries have to go through the operation both ways as to exports and imports, which I have described, in silver. As to all those countries, there will be a bounty on importing into them, and a discouragement in exporting from them, and in consequence to every one of those there will be a flow of silver.

1371. In order that the Committee may thoroughly possess themselves of those particular points, do I understand you correctly that the operation is as follows: a depreciation of silver in India, and the depreciation of the Indian exchange have the following effect, that a London merchant desiring to speculate in Indian produce, will be able with his gold to buy a larger number of rupees, and that if the prices remain stationary in India, he will, having a larger number of rupees, be able to buy the exports of India at a cheaper rate himself, and therefore make a larger profit?—Yes, that is one side of the operation.

1372. And, on the other side, that the exporter of goods from this country to India will realise, if the prices have not risen (which is the same supposition), the same number of rupees in India, but in turning them into gold, he will find that the identical number of rupees will furnish him with a smaller amount of gold in return here for his outlay, and that therefore he will make a less profit?—Yes, that is exactly my meaning.

Mr. *Fawcett.*

1373. That opinion, though, is based on the supposition, that as the depreciation of silver continues the prices remain stationary, is it not? but very soon after the depreciation commences in this country, where silver is a standard of currency, the rise in prices will be exactly proportioned to the depreciation of silver?—When it is, of course the encouragement is withdrawn.

1374. After all, the depreciation of a metal which is chosen for the standard of currency is measured, and is marked by the rise in prices, that is what depreciation of money means; if you say that money is depreciated 10 per cent., you mean that prices have risen 10 per cent.?—I do not quite understand the question you ask.

1375. If gold were depreciated in this country 10 per cent., it means that gold possesses 10 per cent. less purchasing value?—Yes.

1376. Or, in other words, prices had risen to that extent?—Yes.

1377. The same way in India, where silver, not gold, is the currency, if silver is depreciated to a certain extent, prices must rise to the same extent, therefore, your reasoning is based on an hypothesis which cannot take place in actual life?—No; I consider that it is based on the present facts. The purchasing power of gold or silver by the English merchants is at this moment increased; gold will buy a great deal more silver than it used to do; but the silver prices of articles in Calcutta have not been affected. Silver is not, as yet, depreciated in the East. It is only during the process of depreciation that my argument holds.

Chairman.

1378. When I asked you your opinion, I drew a distinction betwen a temporary effect and a permanent effect; the opinion you have stated, I understand you to mean is, the temporary and first effect?—Yes; as soon as the the depreciation of silver, as repects the Indian commodities, is equal to its depreciation as respects the gold of the English merchant, then the process which I have described is at an end.

Mr. *Fawcett.*

1379. What I understand is this, that for a time, it may be shorter or longer, during which the depreciation of silver may take place without affecting general prices, you have indicated the prices which will exercise an influence to restore the value of silver to its former level of value?—The point I wish to make before the Committee is this, that all over the East the process I have described will go on, and that to depreciate silver 2 per cent. all over the East will require a vast amount of silver currency, because the region is so large. No doubt it will stop when the depreciation of 2 per cent., or whatever it may be, has been effected, but that will take a long time.

Chairman.

1380. The first operation is such as you have described; the next operation would probably be, would it not, that the prices of commodities in India would rise?—Yes.

1381. While silver had been depreciated?—Yes.

1382. Then in proportion as the price of silver rose you would require a larger amount of silver to do the work than had been used before?—Yes.

1383. That increasing need for silver to pay for the aggregate increase due to the rise in prices would be spread over a vast surface, in your opinion?—Yes, that is my meaning.

1384. Namely, over the countries with the silver valuation in the East generally?—Yes.

1385. The greater demand for silver during this process would tend to arrest the fall of silver, *pro tanto*, in your opinion?—That would be a main cause, supposing other causes which tend to depreciate silver to have the effect which is supposed.

1386. In the first instance prices might remain stationary for a short time; then the flow of silver would take place to the country owing to the encouragement to export and the discouragement of import?—Yes.

1387. And when that was past, and prices rise to their level, so that there was neither that encouragement nor discouragement, the aggregate amount of silver needed for the commerce of those countries would have been increased?—Yes.

1388. After a rise of price all over the East, due to the depreciation of silver, more silver would be required for carrying on the general trade of those countries than before?—Yes; to a very great extent.

1389. Have you at all calculated the surface covered by what is called the silver valuation as compared with that which is covered by the gold valuation?—It used to be said until a few years ago, that England and Portugal were the only ccountries where gold was the standard of value; and there were certain countries which had a double standard, but those were not very many; and

Chairman—continued.

and all the rest were silver. Silver is the normal currency of the world, and from a natural cause, because silver is a much cheaper metal, and is suited to those small transactions which constitute the bulk of the dealings of mankind.

1390. Have you examined the statistics which are available to the public with regard to the aggregate amount of silver and gold in various countries?—I have examined them, but I regret to say that I do not think they are of such value as to be made the basis of sound reasoning in such investigations as this. It appears to me that you neither know with certainty the present stock of silver in the world, nor are you able to estimate the probable augmentation of it; nor do you know the effect which any given per-centage, say 10 per cent. on the stock, would have upon its value. The last part is a matter which has not even been discussed, I think.

1391. You would question, after all the study you have given to the subject, both the accuracy and the real substantial value of figures that go into the aggregate amount of silver and gold in the world, and the proportions of the metals to each other?—I do not believe they are worth the paper on which they are written. I do not consider that anyone knows anything about them, or has the means of knowing.

1392. To resume the point of the effect of the depreciation of silver on the Indian exchanges, which is one point referred to this Committee, can you treat that question as one of exports and imports between India and this country alone; I have heard a remark with regard to the effect upon other countries?—Of course it will be evident that if this country has to export silver to the East, it must buy that silver somewhere. That silver it will have to buy in America, and therefore a consequence of the new state of things will be that the English exporters of goods to some parts of the world will be benefited. I do not say the English exporters of goods to America, for probably we shall not pay America directly. The nature of the trade between America and this country is, that America sends us directly a great deal more than we send her, and America buys, in various parts of the world, coffee, and rice, and tea, and a variety of articles, and that the sellers of those articles draw upon England, and so the balance is struck; we shall have to pay America in some way for the silver, and we shall pay her by exporting to the countries from whom she buys some of those articles, and therefore, though it is perfectly true to say that the effect of the depreciation of silver may be unfavourable to the English exporter of goods to the East, yet it will be favourable to another class of English exporters, that is to say, those who pay America.

1393. You mean this, that as the silver is to be produced, and comes to Europe, or when it comes to Europe, it must be paid for by some means?—It comes here, and we must pay for it. We shall pay for it, not to America directly, in all probability, but by exporting goods to various parts of the world where America buys. She buys in Brazil, in Cuba, and in the East, and in France, and all those countries draw drafts upon England, and ultimately the account is settled in commodities.

1394. If America draws more eastern produce in consequence of producing more silver, and therefore having something to sell which it can

Chairman—continued.

turn into commodities abroad, then a certain amount of new purchasing power is given to those countries from which it draws its exports?—Yes.

1395. And that purchasing power they may again avail themselves of in purchasing from this country?—Yes; such are the dimensions of our trade, that ultimately they come to buy of us. We are the great settling house of the world.

1396. Have you examined the effect of the depreciation of silver upon our trade up to this date?—I cannot say that I have made such an examination of it as I should like to lay before the Committee, especially as I understand that contradictory opinions have been expressed upon it, and I should rather rely on the general principle I have stated, because the facts of a particular year are far more difficult to discover than the general tendencies which operate over a long period of time.

1397. There are so many disturbing causes in any particular year?—Yes; and it is so difficult to get at the precise facts of any particular year. Statements may be made as to depression of particular trades. Well, what does depression mean? The traders will not come and show you their books; you ought to have a comparative statement of their profits in the period at which the depression is said to commence, and at the period of which you are talking. Now no such account is ever given in, and therefore you are dealing with a statement which you have no means of measuring or testing.

1398. Do I understand you rather to question the prolonged depression in the Indian trade?—I do not doubt that there is a great depression in the export trade from this country, and that that arises very largely from the causes of which I have been speaking. The depreciation of silver has necessarily caused discouragement to export to the East; the people who most call themselves the Eastern trade are the exporters to the East.

1399. Unless the manufacturers and producers in our manufacturing districts have got stocks of articles already manufactured for India which they are bound to sell?—No doubt they will have to sell them practically at reduced prices, because they will sell them in rupees, and when they bring these rupees home they will yield less in sterling money.

1400. Still if they are manufactured they would be likely to be exported?—Yes, and perhaps for other reasons. Some part of the export trade, I would not at all say it is true of the Eastern trade, but some amount of trade is carried on by drawing on consignees for the creation of bills, which bills are discounted in this country, and that trade, which is not of a very healthy description, will always go on whatever the prices may be.

1401. Do I understand you to mean in very general terms that it is difficult to arrest any particular branch of manufacture and export the moment it becomes unprofitable?—Very difficult indeed. In the first place an amount of fixed capital is sunk in it which has to be moved, and people have formed habits and connexions; and such a general cause as I have been speaking of will not operate perhaps for a considerable period of time.

1402. The export trade from this country to another great consuming country might be prolonged sometimes without its being exactly

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evidence that that export was the result of sound trade and permanent causes?—Quite so, without its being at all a conclusive indication that it was such a trade as ought to be carried on, or such a trade as anybody would begin.

1403. Would the depreciation of silver have this effect, that it would prevent the extension of business or the initiation of new business while alarm was felt as to the uncertainly of returns through the fluctuations in silver, but it would not cause an immediate cessation and diminution of the trade?—Yes, it would have that effect, it would have a gradual tendency in that direction, a tendency to make the export trade cease, and to make the import trade into the country from India begin; both are gradual.

1404. Turning to another subject, the evidence before the Committee, I think, has been generally to the effect that the depreciation of silver has been caused by the increased production, or the impression produced by the increased production in America, by the demonetisation in Germany, and by the increase of the drafts of the Indian Council; do you agree in the existence of these causes?—I think that those causes are real, but I think a fourth ought to be added to them.

1405. What is that fourth cause?—A great number of States which are grouped together in what is called the Latin Union have ceased to coin silver ever since the year 1874 in the same manner which they did before; as the Committee are aware, the Latin Union is a name for five States, France, Belgium, Italy, Switzerland, and Greece, which up to the year 1874 had what they called a double standard, that is to say, silver and gold were tenders for any amount for debts, and the coinage was framed on the relation of 15½ to 1. Up to that time it was open to anybody to go to the French, or any other mints, with silver or gold, as the case might be, and get it coined; the consequence of course was, that the moment metal became depreciated, the holders took it to those mints and had it coined; but in the year 1874 that process was arrested, because those Governments limited the amount of silver which they would coin, and if it had not been for that change of policy, all the silver which is now flooding the London market, and lowering the price, would have been long since in the mints of those countries; it would have released gold from them, and the combined effect of the two operations would have been, that the comparative value of gold and silver would have been very little altered, probably not at all.

1406. Without giving an opinion as to whether they did right or wrong in the steps they have taken, do I understand you to mean that their abstention from purchasing, whereas formerly they were buyers, must be added to the effect of the demonetisation in Germany?—The operation of the double standard cause, a supply on speculation; the moment any one of the two metals becomes depreciated, there is a motive to any bullion dealer to take the depreciated metal to the mint, leave it there, have it coined, and with that he can buy the appreciated metal and have a profit; in that way, in former times, the old silver currency of France was entirely taken away, and gold substituted for it, merely because gold was cheaper; in the same way now, if the Latin Union continued to coin as before, gold would have been taken away and silver taken back.

Chairman—continued.

1407. Are you aware that the stock of silver in the Bank of France has increased of late years?—Yes, I am aware that it is now 20 millions or more.

1408. You contend that but for their cessation of coinage a larger figure than that would have accumulated?—Yes, and gold would have been taken away from them.

1409. To the same amount?—To an equivalent amount, not only of France, but the Latin Union generally.

1410. There has been once or twice before, has there not, in France, a change from silver to gold and from gold to silver?—Yes, we were enabled to pay India in silver for the cotton we wanted during the famine, by getting it from the French currency in this way.

1411. Was France at that time drained of a large portion of its silver currency?—A very large portion. It was the saying in France at that time, "The English have taken away the silver," meaning that we had sent it to India. It was quite true that it was bought up with gold.

1412. Did we pay a premium on silver at the time?—Gold was much depreciated as against the legal equation, just as silver is now against the legal equation, and therefore it was profitable to send gold to the mint.

1413. Had the Governments in the Latin Union not curtailed their coinage even before the year 1874?—1874 is the first year in which they made a treaty on this subject, I think.

1414. Can you state to the Committee any facts with regard to the legislation as to Holland?—It appears to me that the difficulty of Holland in this question is far greater than that of any country, because they have, as England has, an Indian Empire, and they have the same currency in the Indian Empire that they have at home. They are much in the same position that we should be in if we had a rupee currency here, and we thought of demonetising rupees. It has been proposed to demonetise the Dutch dollar, which is the coinage both of Holland and of Java, and of other Dutch possessions, which circulates in the East to an enormous extent.

1415. The Dutch dollar has not yet been demonetised?—It has not, but proposals are constantly being made, and an experimental step was made last year towards its demonetisation.

1416. Was a Bill passed with regard to it?—Yes; but like many experimental measures, it was very complex; I should not like to explain its exact effect; I have had it explained to me in various ways; it was a small Act in itself, and only of importance as an indication of a policy which was to follow.

1417. Was it a temporary Act or a permament Act?—Temporary.

1418. To cease when?—To cease very soon, I think, but I am not perfectly certain.

1419. As a matter of fact, when that Act ceases, will the Government of Holland have to make up its mind one way or the other again, and to take some measures?—Either to make a change or leave things as they are; Holland demonetised gold years ago, and has only a silver currency.

1420. As a matter of fact, without expressing any speculative opinion, they have not yet established a gold valuation?—No, they have greater difficulties

Chairman—continued.

difficulties in going in that direction than any other country.

1421. I have seen it stated in some publications that Holland was one of those countries that adopted the gold valuation?—That is a complete error; many circumstances much impede them in so doing.

1422. Have they been buying silver or gold latterly to your knowledge?—I could not lay the details before the Committee.

Mr. *Fawcett.*

1423. The Latin Union, or the Latin Convention, continues in operation till 1880, does it not?—Till some date of that kind.

1424. Therefore its policy, which you think has been influential in assisting the depreciation of silver, will continue till the time when it ceases, when the confederation breaks up?—Not necessarily; it has an annual meeting, by which it determines the amount of silver which it will coin; I should say that in 1874 they had made a cardinal alteration in their policy; the theory of the double standard is that anyone should be able to bring their money to the mint and get it coined in any amount, but that was altered.

Chairman.

1425. What was the original policy of the Latin Union?—It was the policy of the double standard, as it is called, in which both gold and silver circulate, and are legal tenders for any amount, and in which the relation between them was that of $15\frac{1}{2}$ to 1.

1426. What was the object of their combining?—It was, I suppose, partly a political movement on the part of the French Empire to gain an influence in those countries, and partly the natural wish of countries so intimately connected to have the same coinage, and they adopted the French coinage of that time as being the predominant power.

1427. The Latin Union was not formed with reference at all to the question as between silver and gold?—They simply adopted the French currency of that time.

1428. The policy to suspend the coinage is the common policy that has been adopted by them in the course of their union, but is not one of the principles of their union?—It is contrary to the fundamental principles of their union. They gave up the double standard the moment they allowed their metal to be limited. The cardinal principle was abandoned.

Mr. *Fawcett.*

1429. Did not they come to some agreement with reference to the coinage of silver, which agreement was to continue in operation till 1880; I think we have had evidence to that effect?—They met annually, and determined the amount of silver which they should coin.

1430. I think Mr. Giffen gave the evidence, but I fancy we have had evidence to this effect, that when they met in 1874, one of their agreements was that they should continue a certain policy with regard to the coinage until 1880, and that they should be bound by that agreement until that year?—They re-vote annually what the amount shall be, and it is open now to the annual meeting to change, and to go back to the double standard pure and simple. In 1874, the amount which they agreed to coin was 4,800,000 *l.* In 1875, it was raised to 6,000,000 *l.*, and now it has gone back to 4,800,000 *l.* in 1876. It is divided between the countries.

Mr. *Fawcett*—continued.

1431. You say they cardinally changed their policy in 1874 with regard to the coinage of silver, and their policy with regard to the future of course is uncertain?—Very uncertain. It is a possibility, I do not say it is a probability, that they might begin to coin silver in unlimited amounts, and that would take the silver off the market.

1432. On the other hand it is possible that they may continue this policy which you think has been influential in assisting the depreciation?—Yes; or they may go further and demonetise the silver in France. That has been proposed, and that would throw an additional amount of silver on the market.

1433. Their policy one way or the other will have a considerable effect either in promoting the depreciation of silver, or in retarding its depreciation, and that policy with regard to the future is, in your opinion, obscure and uncertain?—Yes; it will be a force of the first magnitude.

1434. You would not like, at any rate, positively to predict in what direction that force, which you have described as one of the first magnitude, will operate?—I think there are very great difficulties in the way of demonetising silver in France, and it is certain, I believe, that the present rulers of France wish to preserve what they call an expectant attitude, and to continue the present state of things, only coining limited amounts, but whether they will be able so to continue I do not know.

1435. Do you think that one element in considering what the value of silver is, is this: that the value of the precious metal after all is determined by the same considerations as the value of any other mineral, or any other commodity, and that consequently the cost of producing those metals, or the cost of raising them, must have an important bearing on their future value?—Undoubtedly.

1436. Therefore, if the cost of producing silver should greatly diminish, that must sooner or later, just in the same way as if the cost of producing any other article greatly diminished, have its effect upon its value?—That will of course have an effect upon the value, but it will be limited by several considerations; one is, that it is the cost of production under the most difficult circumstances which regulates the price, not the cost of production in those mines of splendid fertility which we hear of, but the cost of production in the least of the old mines which keeps itself at work.

1437. To draw an analogy, if you suddenly discovered in a country a great tract of fertile land, the immediate effect of that land being discovered, which would enable agricultural produce to be produced cheaper, would not necessarily be to lower the value of agricultural produce if the demand for it keep on increasing so that it was necessary to keep the comparatively speaking unfertile land in cultivation, which before had been cultivated?—Quite so.

1438. But if, on the other hand, this fertile land should so add to agricultural produce that the more unproductive sources of supply which had been before worked should be given up, then the cost of producing that produce would diminish?—Yes.

1439. You think that would apply as an

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analogy to the value of the precious metals?—Yes, I think it would be the mine of the least fertility that should keep itself at work that would regulate the price.

1440. You have described to us very clearly what you think will be the effect on the trade of India, if the depreciation of silver continues, but have you considered what its effect on the revenue of India is?—I suppose that it will be unfavourable to the revenue of India, because the Indian Government are so unfortunate as not to be able to increase their taxation.

1441. And the peculiarly unfavourable effect it will produce is this, that one considerable portion of the land revenue of India is either permanently or for a considerable period fixed in pecuniary amount, which amount is estimated in silver?—Yes.

1442. Therefore, although from that circumstance inferences may come into operation to correct any bad effect which it may have on the trade of India, the loss which would arise to the revenue of India from that circumstance cannot be got over by any of the circumstances to which you have referred?—I do not think there is any connexion between the trade of India and the revenue of India for this purpose in the peculiar circumstances of the Indian Government, because they do not seem to be able to apply additional taxation.

1443. But as to the loss on the revenue, even if they could apply additional taxation, which is a fixed pecuniary amount, either fixed permanently or for a considerable number of years, there is no way of meeting that?—No, that is a matter of agreement which cannot be altered.

Sir *Charles Mills.*

1444. You mentioned the demonetisation of silver by Germany as being one of the causes. I suppose you will supplement that by the cessation of the demand for fresh coinage?—Quite so.

1445. It includes not only the selling of the silver, but also the cessation of the demand for fresh silver?—Yes.

1446. You stated that you thought it was very difficult to form any opinion as to the amount of silver and gold there was in circulation in the world. I think you go further, do you not, and say it is very difficult to form even an opinion as to the amount of gold in circulation in England?

Sir *Charles Mills*—continued.

—There are very various estimates by very competent persons. Of course, it is much more possible to get near that than the circulation of the world; but such estimates are more matters of scientific conjecture than anything else.

1447. We had some figures given us as to the amount of thalers in Germany; do you think that those are also very doubtful?—Very dubious, indeed. I have a strong belief that the Government do not themselves know; their whole policy is perplexed by uncertainty as to that, as far as an external observer can judge.

Chairman.

1448. When you speak of the drafts of the Government of India, you consider that those drafts, I presume, are determined by the amount that they require; it is not an open question how much money they can raise, or how much they need not raise?—I suppose that the drafts are regulated by the necessities of the Indian Government at home. They have a certain interest to pay, certain salaries to discharge, and certain things to buy, which are absolute necessities, I suppose.

1449. You do not wish to convey the idea, when you stated, as other witnesses have stated, that the increase in the drafts of the Indian Council are one of the causes which have led to the depreciation of silver, that it was at all a cause which the Indian Government could have avoided?—I apprehend it is not optional at all.

Mr. *Fawcett.*

1450. The great part of the expenditure of India is quite within the control of the Home Government here. I will give one illustration; for instance, so much had to be remitted from India to England for the payment for the buildings at the India Office. It was perfectly optional with the Government here whether they erected buildings. I do not mean to say whether they were wise in erecting the buildings they have; but it was optional for them to spend more or less, or the exact amount which they did spend on those buildings. Therefore the expenditure is within their control; but having sanctioned a certain expenditure, of course the amount they have to withdraw is not within their control?—Yes; it is only in that sense optional. Having determined their expenditure by political considerations, the money must come.

Mr. G. Pietsch, re-called; and further Examined.

Mr. *G. Pietsch.*

Chairman.

1451. I think you are anxious to correct one or two points in your evidence?—Yes.

1452. When you placed before the Committee your analysis of the amount of silver which was likely to be thrown by the German Government on the market, you made a deduction, I think, from the total silver to be sold in respect of the circumstance that the silver coins coined were 900/1000 fine?—Yes; I may mention in the first instance that for simplicity's sake I gave my figures in sterling, whilst the official German statements are in thalers; consequently, to arrive at the sterling amount, I calculated at a certain rate of exchange, and I subsequently made a reduction for the difference of fineness. The

Chairman—continued.

most correct way to calculate would be to calculate by weight, that is to say, it would be best to take the total amount of thalers and calculate the amount of silver represented by those thalers. If there had been only one standard in Germany, that is to say, if all the German coins had been coined at the rate of 30 thalers out of 1 lb. of fine silver, it would have been very simple, but unfortunately, in Germany, there were a very great number of different standards, and even up to the end of 1873 there were six or seven remaining. In order to make that calculation by weight I ought to have known what quantity of each description of coin existed, and to what standard they had been coined. I did

not

Chairman—continued.

not know that, consequently I was not able to make that calculation; I calculated at a certain rate of exchange, and made the deduction you allude to.

1453. Your deduction amounted to something like three millions?—Yes; that has been objected to, and without making the exact calculation by weight, I am really not able to say whether the objection is well founded or not, but I will admit, for argument's sake, the deduction ought not to have been made; according to a calculation I have made, that would make a difference of about four millions sterling, that is to say, the amount remaining for sale instead of being nine millions would be 13 millions; I may mention that since I had the honour of appearing before you, I have submitted my figures to the people in Berlin, and the semi-official reply which I have received is that all the estimates given so far are too high; I may also mention that I have been making attempts for the last two or three years to remove the German silver from the market by a loan, but in all these negotiations the German Government have persistently refused to undertake the delivery of more than 7½ millions for fear of over-selling themselves, and that shows best what they think of the ultimate surplus.

1454. You raise your amount from the nine millions which you have submitted to the Committee to 13 millions sterling?—Yes; but in point of fact, from all I can learn, so much silver does not exist, though in theory we may arrive at 13 millions.

1455. Have you any later information as to sales made by yourself or others with regard to the German silver?—No, I can only say that no important sales have been effected since I appeared last before you.

1456. Do you think the sales of German silver have reached the total amount of nine millions, so far?—No, I think not; as far as I know, and as far as I can appreciate, the sales amount to six or seven millions; seven millions, perhaps.

1457. Is there any other point in your evidence which you wish to correct?—Yes, there are a few points.

1458. Any points of importance?—On the last occasion I was asked by one of the Members of the Committee whether I did not think that part of the German silver coin which had been paid away to France by war contributions and money indemnities had returned to Germany. I have been making inquiries since, and I find that the last war indemnity paid by France to Germany consisted entirely of gold, bills of exchange, and silver five-franc pieces, with the exception of an amount of 750,000 *l.* German coin.

Chairman—continued.

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1459. That was the amount returned?—Yes. 750,000 *l.* must have been German coin which came into the possession of the French during the last war, because before the war there was no German coin in France. Then, as regards the indemnity paid by France to Germany in 1815 I have no data; I do not know whether any German coin returned from France to Germany at that time, but still there is a very strong presumption that on balance the Germans must have lost coin by their war indemnities, considering that the period during which the thalers were coined extends over 120 years, and that during that time the seven years' war took place, and all the wars of the French Republic and the Empire, during which time Germany was frequently invaded.

1460. Is there any other matter of fact which you would wish to state to the Committee; the Committee do not wish to open up new ground?—No, I cannot say there are any new facts; I should like to supplement some of my answers given to former questions. I was asked, in speaking of the loss of coin caused by melting down, why I supposed that coin had been melted down instead of bars. I find that besides the stock of bars in the Bank of Hamburgh there never was any very large stock of bars in Germany, except the floating stock, and that, consequently, coin was resorted to. That was done the more as many of the coins contained gold. Then I was asked as to the amount of German coin taken away by emigrants. As to that I do not know; I have not been able to ascertain the extent of German emigration. I only know that the number of Germans who emigrate is very considerable; in New York alone there are 300,000: and when I was in America I was told that at certain times a good deal of German coin circulated in Ohio and Missouri and other States occupied by Germans. I was asked another question as to the effect on the price of silver caused by the great quantity of council drafts. My attention was called to the fact that if no council drafts were drawn the Government would have to remit silver from India to England, and whether that would not have an effect still more injurious on the market price. I do not think it would, because if that were the case the people who buy council drafts would buy the silver so remitted and send it back to India, and the course of exchange would remain the same.

Mr. Ernest Seyd, recalled; further Examined.

Chairman.

Mr. *E. Seyd.*

1461. On the last occasion you gave the Committee some evidence upon the value of American dollars; I understand, in looking through your evidence, you found that there were one or two inaccuracies?—Scarcely inaccuracies, but I had not the precise figures with me which referred to the case. I have a supplemental statement here.

1462. The old American dollar was 412 grains, was it not?—412½ grains. I endeavoured to explain that if that old dollar had been in accord with the French system of the proportion of 1 to 15½, it ought to have weighed 400 grains, the fact of its weighing 12½ grains more than the assumed normal proportion was the cause of this undue export.

Chairman—continued.

1463. I think you used the phrase that there was a difference of 8 per cent?—That was a little confusion in reference to grains and percentages. There was a difference of eight grains between the old dollar and the new trade dollar, the difference actually is 3 per cent. between the old dollar and the supposed normal dollar which ought to have been coined in the proportion of 1 to 15½.

1464. Will you state to the Committee the

Mr. *E. Seyd.* *Chairman*—continued.

8 May 1876. three values of the dollar. According to the 15½ standard it ought to have been what?—Four hundred grains; according to the proportion issued by their Mint law of 1834, the dollar was made 412½ grains, consequently it contained 3 per cent. more silver than the proportion of 1 to 15½. Their new trade dollar is made of 420 grains, and contains 5 per cent. more silver than the normal proportion customary in France, and other systems of the gold and silver valuation.

1465. You put in this supplementary statement respecting the coinage of the United States of one dollar silver pieces?—I do, and that will explain the matter. (*The same was put in,* vide *Appendix.*)

1466. I believe you wish to put in a statement showing the countries where the gold valuation is in force, where the silver and gold standard exist together, and where the silver standard exists?—I do. (*The same was put in,* vide *Appendix.*) Those are Tables which bear on the proportions involved.

1467. You have arranged your statement so as mainly to confine yourself to the facts of the case?—Yes, and I have condensed the conclusions into tables, which are submitted in addition thereto. They show the nations and numbers of population under each of the three groups in 1871, and the changes actually made since and entered upon. These tables also contain the respective quantities of coin and bullion present in each system.

1468. Have you assumed, in these tables, the present *status quo*?—The previous *status quo* before 1871, or rather in 1871, and the *status quo* since the changes which have been introduced, and I have ventured to make some remarks showing the bearing of those changes on the question of facts.

1469. Was there any point in your evidence besides that with regard to the American dollars which you desired to correct?—There is nothing that I would desire to correct in my previous evidence.

1470. There was a question asked with regard to the decline in the value of silver being caused either by the laws of supply and demand alone or by actual legislation?—Perhaps I may be allowed to give the answer in this form: the ordinary natural laws of supply and demand scarcely apply in this case, as they are supposed to bring about a natural settlement. The point which ought to be considered here is that the legislative law, if I may be allowed to use that term, has actually destroyed the demand.

Chairman—continued.

1471. In Germany, for instance?—In Germany, and in consequence thereof, everywhere else.

1472. Therefore you mean that it would be untrue to say that the laws of supply and demand alone affected the silver market, considering that whether there is a demand or not in Germany the German Government had checked the demand by a legislative Act?—Yes, and all other States are bound, according to my opinion, to follow the same course. I have ventured, in the statement I have submitted to you, to make a remark with reference to that point, and to show that, so far, Germany alone has succeeded in making any change at all; all the other states, so to speak, hold the matter in abeyance.

Mr. *Baxter.*

1473. What do you mean by saying that all the other states are bound to follow?—That is, of course, a matter which does not rest on any fact which has already happened, but is a subject for inquiry; France, for instance, as a matter of self-protection, is obliged to give up silver as a valuator, and all other states would be bound to follow the same course. That which has already taken place in Holland and elsewhere is proof of this necessity.

1474. In your opinion, they must all of necessity follow the example of Germany?—Yes; if I may so express the matter: England was the first country to demonetise silver in 1816, but between the three groups which were formed thereon, that is to say, the English group, as the gold valuing one; the French group, as that of the gold and silver; and the German, as representing the silver valuation, an equilibrium was formed which upheld, not only the price, but also the use of gold and silver. Since then Germany has joined the gold valuing group, consequently the old foundation for maintaining the value of both metals on an equal basis has been lost, and now the other states, it seems to me, are forced to follow the same course.

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APPENDIX.

Appendix, No. 1.

PAPER put in by Mr. *Kirkman Hodgson*, a Member of the Committee. Appendix, No. 1.

ESTIMATE of GOLD COIN in Circulation in the United Kingdom.

				£.
1858 - - -	Mr. Miller's Estimate - - - - - - -			90,000,000
1872 - - -	- Ditto - (continued by Mr. May) - - - -			107,637,000
1872—1875 -	Coined - - - - - - -		£. 20,350,000	
	Imported - - - - - - -		17,669,000	
			38,019,000	
„ - -	Light Coin withdrawn -	£. 3,763,000		
	Exported - - -	23,781,000		
			27,544,000	
	Added to circulation of United Kingdom		10,475,000	10,475,000
	(Held by Bank 6,568,000 *l.*) - - - -			118,112,000
1876 to date -	Coined - - - - - - -		£. 3,645,200	
	Imported - - - - - - -		1,652,000	
			5,297,200	
	Light Coin withdrawn - -	£. 541,591		
	Exported - - - -	500,000		
			1,041,591	
	Added to circulation of United Kingdom		- 4,255,609	4,256,000
	(Held by Bank 12,122,000 *l.*) - - -		£.	122,368,000

6 May 1876. *S. O. Gray.*

ESTIMATE of SILVER COIN in Circulation in the United Kingdom.

			£.
1860 - - -	Mr. Miller's Estimate - - - - - - - -		14,799,000
1861—1875 -	Coined - - - - - - - - - -		6,437,000
			21,236,000
„ -	Worn Coin withdrawn - - - - - -		1,700,000
	Estimated Circulation, 31 December 1875 - -	£.	19,536,000

6 May 1876 *S. O. Gray.*

Appendix, No. 2.

PAPERS put in by Mr. *Ernest Seyd.*

Appendix, No. 2.

STATEMENT as to the Dates of Laws determining the Valuations of the various Nations previously to 1871; the Changes introduced and in abeyance; the actual Condition of Metallic Efficiency of each System, and Coinages made, where ascertainable in £. sterling value.

A. GROUP of Gold valuing States before 1871, without Changes up to 1876.

STATES.	COINAGES.	
	Gold.	Silver.
	£.	£.
ENGLAND.—The law of the Gold valuation dates from the 22nd June 1816. On the 20th August 1819, the Bank of England resumed specie payments. England (with her Australian colonies) is the only country where the Gold valuation is complete and *fully effective* through the law of legal tender and an actual home coinage.		
Total coinage from 1816 to 1875 inclusive - - -	234,129,886	24,663,309
AUSTRALIAN COLONIES.—		
Total coinage from 1855 to 1875 - - - - -	35,857,000	
CAPE COLONIES AND CANADA.—Both dependent on England, the £. sterling being legal tender for 4 dollars 80 cents in Canada.		
PORTUGAL.—Silver valuation to 1854. Law of Gold valuation dates from 29th July 1854. The Gold coroas coined since have been withdrawn, and English sovereigns, 5 franc and other Silver pieces, are the circulating coins. The Silver token coins, from the ½ milrei downwards, are the home coinage. The system is therefore incomplete and *dependent* on England.		
Total coinage (not published).		
TURKEY.—Silver valuation nominal to 1844. The Gold medjidies coined since have disappeared. The Silver piastre and foreign coins circulate above their tariff value without reference to a law of legal tender. The Gold valuation is nominal and *non-existent.*		
Total coinage (not published).		
PERSIA.—The Gold toman has always been the principal coin, but its coinage and value are arbitrary. Foreign (principally Russian) Gold and Silver coins circulate without reference to a law of legal tender. The Silver token coinage of 1857 has not been successful. In reality, the Gold valuation is *non-existent.*		
Total coinage (not published).		
BRAZILS.—Silver valuation to 1849. Scarcely any new Gold coins, and but a limited quantity of the new token Silver, have been coined. The English sovereign and other coins circulate at a high premium. The valuation is one of paper money, that of Gold *non-effective.*		
Total coinage (not published).		
ARGENTINE REPUBLIC.—Silver valuation to 1857. The law of the 21st July of that year fixes a tariff value for various foreign gold coins, and that of the Gold onza at 17 pesos; but these, and, other full-valued Silver coins, circulate at a high premium on the paper valuation, the Gold valuation being *non-effective.*		
Total coinage (not published).		

These States are those which *by law* were under the Gold valuation up to 1871. In reality,

ENGLAND only (with AUSTRALIAN COLONIES) has the full system.

PORTUGAL, being dependent on England, and the remaining States have no definite metallic system.

Appendix, No. 2.

B. GROUP of the States of the Gold and Silver Valuation, intact to 1871, and liable to changes now (1876).

STATE.	COINAGES.	
	Gold.	Silver.
	£.	£.
FRANCE.—The law of 28th of March 1803, adopted the Gold valuation together with the Silver valuation—or the bi metallic system—in definite proportions of 1 of Gold to 15½ of Silver, and no change was made until, under the Convention concluded with Belgium, Switzerland, and Italy of the 23rd December 1865—which came into force on the 1st August 1866, the hitherto full-valued Silver coinage from two francs downwards was changed into token, the five-franc silver piece remaining as full legal tender. Since 1874, however, the Latin Monetary Union has limited the coinage of five-franc pieces for each of the years 1875 and 1876 to £4,800,000, and so placed the present valuation in abeyance.		
Total coinage from 1795 to 1872 - - - - - -	309,783,000	197,520,000
Ditto from 1872 to 1875 - - - - - -	10,369,000	12,749,000
BELGIUM.—		
Total coinage from 1832 to 1873 - - - - - -	8,772,000	18,068,000
SWITZERLAND.—Coins no Gold, and uses that of France, &c.		
Total coinage (Silver only) to 1868 - - - - -	- -	812,000
ITALY.—Has a paper valuation at present.		
Total coinage from 1862 to 1869 - - - - - -	8,160,000	6,740,000
SPAIN.—Adopted the Gold and Silver valuation under the Mint law of 19th October 1868, which came into force on the 1st January 1871. Spain has not actually joined the Latin Union, but the system is identical with France.		
Total coinage (not published).		
GREECE.—Under the Mintlaw of the 10th April 1867, the French system was adopted, and Greece joined the Latin Union on the 4th December 1868, the new system to come into force on the 1st January 1871. Nothing effective has been done as regards the new coinage. All sorts of coins (chiefly Spanish and other dollars) circulate without law of tender.		
Total coinage (not published).		
ROUMANIA.—The new law of 14th April 1867 (although the Silver lion or franc is the leading coin) is otherwise identical with the coinages of the Latin Union, but no five-franc Silver pieces are made. French and Russian coins circulate at a premium, the home coinage having been insignificant.		
Total coinage (not published).		
These are the seven European States under the Gold and Silver valuation, which, as regards France, Belgium, Switzerland, and Spain, was *fully effective* up to 1871; *partially effective* as regards Italy, and *non-effective* as regards Roumania and Greece.		
UNITED STATES.—The Gold and Silver valuation dates from 1792; but as the coinage of Gold and Silver shewed a proportion of one of gold to nearly 16 parts of silver (whereas the French proportion was 1 of Gold to 15½ of Silver), the Silver dollars could not be maintained, and were unduly exported; more notably so between 1848 and 1851. The Mint law of 21st February 1853, converted the Silver coinage from the half dollar downwards into token money; and although, practically, this was tantamount to the Gold valuation, the old dollar and the Gold and Silver valuation were not legally abolished. Since then, by the law of the 12th February 1873 (in force from 1st April 1874), a new Silver dollar of still heavier weight, or "trade" dollar, has been coined.		
The American valuation is one of paper. The premium on Gold is still 13 per cent. (April 1876), so that, as calculation shews, the subsidiary Silver coinage now in contemplation will be exported as soon as Silver in Europe rises again to 56 pence per ounce. At this time the question of the Gold and Silver valuation is again being discussed in America, and proposals to reintroduce a new silver dollar are being made. So far the tendency is in favour of the Gold valuation; but in either case, as long as the premium on Gold remains, the metallic valuation is *non-effective*, the coinage made having been exported.		
Total coinage from 1793 to 1868 - - - - -	192,800,000	13,340,000
Ditto since.		

Appendix, No. 2.

B. Group of the States of the Gold and Silver Valuation intact to 1871, &c.—*continued.*

State.	Coinages.	
	Gold.	Silver.
	£.	£.
Columbia.—According to the Mint laws of the 30th May 1853, and the 14th May 1872, the piastre has been made equal to the Gold and Silver five-franc pieces, and the subsidiary coinage equal to that of the Latin Union.		
Total coinage (not published).		
Venezuela.—Since 1872, has adopted a system similar to that of the last-mentioned State, modelled upon the Latin Union.		
Total coinage (not published).		
Chili.—According to the Mint law of the 9th January 1851, this State coins Gold and Silver in proportions of 1 to $16\frac{2}{5}$, the Silver peso being equal to the silver 5-francs. Hence the latter pieces have been exported, and the Gold valuation has prevailed practically; but the present low price of Silver has restored the balance.		
Total coinage (not published).		
Uruguay.—Under the Mint law of 1862, coins a Silver peso in proportions of 15 of Silver to 1 of Gold, and the latter has been exported. This is tantamount practically to the Silver valuation, and as the paper valuation has been abolished, the metallic basis is *non-effective.*		
Total coinage (not published).		

Appendix, No. 2.

C. GROUP of the States of the Silver Valuation intact to 1871, with the Changes made and those in prospect now (1876).

STATE.	COINAGE.	
	Gold.	Silver.
	£.	£.
GERMANY.—The Silver valuations of Germany were last consolidated and affirmed by the Mint Convention between Germany and Austria of the 24th January 1857, when Gold coins (crowns) were made "trade" money. The Imperial law of 4th December 1871, prepared for the Gold valuation, and that of the 9th July 1873 — limiting the coinage and tender of Silver—established it. The new system was to be in full operation on the 1st January 1876. The payment by France of 200,000,000 *l.* war indemnity enabled the Government to acquire Gold, and to prepare for its coinage and issue. Of the full-valued Silver thaler there are yet many in circulation, and the law of legal tender is not definite enough (being again under consideration at this moment). The Gold valuation is *nearly effective*, but not yet complete, as in England.		
Coinages (from 1768 to 1873) - - - - - -	26,560,000	98,280,000
„ from 1873, about - - - - - -	65,000,000	
HOLLAND.—Holland had a Silver valuation, but also coined Gold pieces. In April 1875, it decided temporarily to suspend the coinage of Silver, since when about 4,000,000 *l.* of Gold have been coined. But almost the whole stock of Silver remains, and awaits disposal. The valuation is in abeyance.		
Coinage from 1840 to 1872 - - - - - -	- -	26,360,000
Ditto since 1872, about - - - - - -	4,000,000	
DENMARK.—Entered into a Convention for the adoption of the Gold valuation with Sweden on the 27th March 1873 (the so-called Scandinavian Union), to which Norway gave its adhesion on the 4th June 1873, the new system to come into force on the 1st January 1875.		
Total coinage from 1864 to 1872 - - - - -	- -	260,000
Ditto since?		
SWEDEN agreed to the above Convention with Denmark for the adoption of the Gold valuation on the 19th April 1873.		
Total coinage from 1868 to 1872 - - - - -	111,200	502,000
Ditto since?		
NORWAY joined on the 4th June 1873. The old and also foreign Gold and Silver coins are still in circulation, and the Gold valuation is *not yet effective* in the three countries.		
Total coinage from 1868 to 1872 - - - - -	- -	144,000
Ditto since?		
AUSTRIA.—Under the Convention of 24th January 1857, with Germany, Austria affirmed the Silver valuation. Upon dissolution of this Convention, in 1866, Austria has coined Gold pieces of the value of 20 francs, with the view of introducing the French system; but as the country is under a paper valuation, very little metal has been retained, and scarcely any has been coined in recent years. The National Bank of Austria, however, holds a fair stock of Gold, having sold some of its Silver in good time; but the metallic system is for the present *non-effective*.		
Total coinages from 1857 to 1867 - - - - -	7,680,000	23,400,000
Ditto since ?		

Appendix, No. 2.

C. Group of the States of the Silver Valuation intact to 1871, &c.—*continued.*

State.	Coinages.	
	Gold.	Silver.
	£.	£.
Russia.—The law of 1810 established the full-valued silver rouble; that of 1817 the Gold half-imperial. In 1867 the small Silver change was debased in fineness. Both gold and silver full-valued coins have disappeared through the paper valuation; but the Imperial Bank is said to hold 30,000,000 *l.* of Gold. For the present, the metallic valuation is *non-effective.*		
Total coinage (not published).		
Egypt has a Silver valuation, but European Gold pieces are also used, without reference to a law of legal tender, and at a high premium over tariff rates. The metallic system is *non-effective.*		
Total coinage (not published).		
Mexico.—The gold doubloons are nearly all exported, and few are coined. The Silver dollar is the staple and the chief export produce of Mexico. So far the Silver valuation remains *effective.*		
Total coinage (from 1860 to 1867) - - - - - -	6,750,000	130,800,000
Ditto since ?		
West Indies.—Silver dollars are current chiefly, and the British sovereign, at its legal tender rate of 4 dollars 80 cents, is undervalued.		
Central America.—The Republics of Central America coin Gold and Silver pieces in accord with the French system; since 1870 the Silver peso, or five-franc piece, being the leading coin.		
Total coinage (not published).		
Bolivia.—According to Mint law of 29th June 1863.		
Total coinage (not published).		
Ecuador.—According to Mint law, which was to come into force on the 18th October 1866, and		
Total coinage (not published).		
Peru.—According to Mint law of 31st January 1863, have also adopted a Silver coin of the precise value of the Silver five-franc piece.		
Total coinage (not published).		
Japan.—Before 1871 Japan adopted a system of Gold and Silver valuation; but in 1872 it ceased the coinage of Silver, so as to bring about a Gold valuation. Since then the silver dollar has again been coined, and made full legal tender. The Gold coin has been largely exported, and the Gold and Silver valuation exists *de facto.*		
Total coinage (not published).		
China.—Silver valuation, but Gold also dealt in to a limited extent, chiefly Gold leaf.		
Total coinage (not ascertainable), bars, dollars, &c., being in use.		
India.—Silver valuation. The Gold mohur has entirely disappeared from circulation, but British Gold to the extent of about ten million pounds is supposed to be present in India.		
Total coinage from 1835-36 to 1873-74 - - - -	2,212,979	205,764,347
Ditto - in 1874-75 - - - - - -	14,034	4,896,884

TABLE I. shewing the NATIONS and POPULATIONS (exclusive of so-called Savages) under the Three Systems in 1871.

Under Gold System.		Under Gold and Silver System.		Under Silver System.	
	Population.		*Population.*		*Population.*
England - -	32,000,000	France - -	36,200,000	Germany -	41,100,000
Portugal -	4,000,000	Belgium - -	5,100,000	Holland - -	3,700,000
Turkey - -	27,000,000	Switzerland -	2,700,000	Denmark -	1,800,000
Persia - -	4,400,000	Italy - -	26,800,000	Sweden - -	4,300,000
Australia -	1,950,000	Spain - -	16,400,000	Norway - -	1,700,000
Cape and Canada	4,370,000	Greece - -	1,400,000	Austria - -	36,000,000
Brazils - -	10,200,000	Roumania -	4,000,000	Russia - -	76,000,000
Argentine -	1,800,000	United States -	38,600,000	Egypt - -	4,500,000
		Columbia -	2,900,000	Mexico - -	9,200,000
		Venezuela -	1,600,000	West Indies -	600,000
		Chili - -	1,900,000	Central America	2,600,000
		Uruguay -	400,000	Bolivia - -	1,800,000
		Paraguay -	1,200,000	Ecuador - -	1,300,000
				Peru - -	3,400,000
				Japan - -	33,000,000
				China - -	425,000,000
				India, &c. -	195,000,000
TOTAL Population - -	85,720,000	TOTAL Population - -	139,200,000	TOTAL Population - -	841,000,000

This Table represents the *status quo* upon which, up to 1872, the supplies of both Gold and Silver were absorbed, the equilibrium, in accord with prices and requirements per head of population, being upheld by the three groups of equal aggregate weight each.

The totals of Gold and Silver in use as money, viz., coin in circulation, coin and bars held by banks and in the markets (exclusive of jewellery, plate, and quantities supposed to be hoarded), may be given as follows :—

In 1871.		Quantities in Millions sterling.		
Population.	Under	Gold, full Value.	Silver, full Value.	Silver, as Change.
85,720,000	Gold system - - -	160	14	26·5
139,200,000	Gold and Silver system -	340	121	31·5
841,000,000	Silver system - - -	133	354	87
	Not accounted for - -	68	—	—
	Since, to 1871 - -	49	16	—
	£.	750	505	145

Among the Gold valuing states, England and Australia only have a fully effective national system. The stock in England may be given as amounting to 130,000,000 *l.* of Gold and 15,000,000 *l.* of Silver tokens. Of the other gold valuing states, Portugal is dependent on England; the rest are under paper valuation or disorganisation; and all, excepting England and Australia, yet use between them about 14,000,000 *l.* of foreign Silver coins of full value.

Among the Gold and Silver valuing countries, France and Belgium take the lead, holding 275,000,000 *l.* of Gold and 80,000,000 *l.* of full-valued Silver. Of the Silver systems, Germany and Holland in Europe, and India in the East, occupy the guiding positions. Of the other states of both the latter systems, some are of second rank, others, like the United States, Russia, Italy, Austria, &c., have a paper valuation, and possess but little metal, or practical influence at the moment on that score.

Appendix, No. 2.

The following figures shew the Population and Quantities for Europe alone in 1871:—

In Europe in 1871.		Quantities in Millions sterling.		
Population.	Under	Gold, full Value.	Silver, full Value.	Silver, as Change.
48,000,000	Gold system - - -	138	4	22
92,600,000	Gold and Silver system -	305	116	23·5
164,500,000	Silver system - - -	77	85	34·5
	£.	520	205	80

The following figures shew the Population and Quantities for the British Empire in 1871:—

In British Empire in 1871.		Quantities in Millions sterling.		
Population.	Under	Gold, full Value.	Silver, full Value.	Silver, as Change.
38,000,000	Gold system - - -	146	- -	16·9
196,000,000	Silver system - - -	15	170	25
	£.	161	170	41·9

In reality the equilibrium maintained up to 1872 depended on the four states, England, France, Germany, and India. All other states are of secondary importance, and in my opinion compelled to follow the lead taken by the four. So long as between England with gold valuation, France with Gold and Silver valuation, Germany with Silver valuation; both metals were upheld for the purposes of legal tender money. The international value of Silver remained secure for India.

The table now following shows the altered position and proportions of populations since 1871. For its appreciation the remarks following thereon are of importance.

TABLE II. shewing the CHANGES in the THREE SYSTEMS decided by Law, and in abeyance since 1871.

Under GOLD System.		Under GOLD AND SILVER System.		Under SILVER System.	
	Population.		*Population.*		*Population.*
England -	32,000,000	Spain - -	16,400,000	Russia - -	76,000,000
Portugal -	4,000,000	Greece - -	1,400,000	Egypt - -	4,500,000
Turkey - -	27,000,000	Roumania -	4,000,000	Mexico - -	9,200,000
Persia - -	4,400,000	Columbia -	2,900,000	West Indies -	600,000
Australia -	1,950,000	Venezuela -	1,600,000	Central America	2,600,000
Cape and Canada	4,370,000	Chili - -	1,900,000	Ecuador - -	1,300,000
Brazils - -	10,200,000	Uruguay -	400,000	Peru - -	3,400,000
Argentine -	1,800,000	Paraguay -	1,200,000	China - -	425,000,000
Joined;				India - -	195,000,000
Germany -	41,100,000	In Abeyance:			
Denmark -	1,800,000	Austria - -	36,000,000		
Sweden - -	4,300,000	Japan - -	33,000,000		
Norway - -	1,700,000				
United States -	38,600,000				
In Abeyance:					
Holland - -	3,700,000				
France - -	36,200,000				
Belgium - -	5,100,000				
Switzerland -	2,700,000				
Italy - -	26,800,000				
TOTAL Population - -	247,720,000	TOTAL Population - -	98,800,000	TOTAL Population - -	717,600,000

It is of paramount importance to bear in mind that Germany alone has actually succeeded in effecting a real change, *i. e.*, in acquiring Gold, and in disposing of a portion of its Silver; and that it has had a payment of war indemnity of 200 millions. But even in Germany the Gold valuation is not yet complete; more Gold is wanted, and Silver remains to be sold.

The Scandinavian States have made but little progress in selling silver and obtaining Gold. The United States have no power to hold Gold before they resume specie payments.

Holland and the Latin Union have been added to the Gold valuing list "in abeyance," the steps taken so far justifying this. Involved in the facts of the whole case is the consideration: are these States compelled to follow the course of Germany? It will be found that (unless Silver is remonetised) they must do so for the sake of self-preservation. And as soon as a final decision is arrived at, the matter can no longer remain in suspense, but must become a reality, not only with the States who have so far legally derived, but have done little as yet, but with those in abeyance and those who have not yet moved.

The equilibrium dependent until 1872, as by Table I., on the proportions of, in Europe only:

	Gold System.	Gold and Silver System.	Silver System.
Population:			
In millions and decimals - -	48·0	92·6	164·5
Actually changed, as by Table II., by law in 1876, to - - -	103·0	92·6	109·5
And with the five States in abeyance, equal to - - - - -	177·5	21·8	106·8

The change, without reference to the States which have not yet moved, forms the basis or an estimate as to the redistribution of Gold, and the sales of Silver required.

As regards the Silver to be disposed of, it may be stated that, in 1871, Germany had a stock of 60,000,000 *l.* to spare, the Latin Union 92,000,000 *l.*, and Holland 9,000,000 *l.* in hand. Since then, according to the Government statement, Germany has returned, or parted with, 31,000,000 *l.* of French, Belgian, and Dutch pieces. This partly accounts for the rapid reduction of the German stocks, but increases those of France, Belgium, and Holland. Together with the new comages since made, the stock of full valued Silver liable to demonetisation in the Latin Union and Holland is between 130,000,000 *l.* to 140,000,000 *l.* Besides this, Germany has yet Silver to sell, as well as Scandinavia, and that of other European States remains behind.

Final Remarks.

The true cause of the depreciation in the value of Silver is *its demonetisation by law*, and *that only*. England took the iniative in 1816; but as long as Germany maintained Silver, the equilibrium was maintained. Germany having followed England's course, that equilibrium is lost.

An appeal to the natural laws of supply and demand, as likely to settle this matter, or as tending to shew that the depreciation must be due to an increased natural supply, cannot be made in this case; for it is the *demand* which, not by any natural cause, but by *deliberate legislation*, has here been forcibly restricted to a very narrow limit. In all questions where the natural laws of supply and demand are invoked, that of the demand is as important, if not more so, than that of the supply. Under the force of legislation, a matter under direct human control or intelligence, it is the case of the demand which here has precedence. If the demand had not been so influenced by an agency apart from the natural laws of supply and demand, and the *status quo* hitherto existing had not been forcibly changed thereby, it follows:

Firstly, that there would be no surplus stocks of Silver to dispose of.

Secondly, that the fresh natural supplies of Silver would be absorbed, as, together with those of Gold, they have always been absorbed before.

Figuratively speaking, if the abolition of the demand for Silver for the purposes of legal tender money contributes 50 per cent. of the decline in its value, the secondary causes, that of the surplus stocks, contributes another 25 per cent., and that of the fresh supplies yet 12½ per cent. to such decline; but the two latter causes would have no *raison d'être* but for the first.

This represents, in my opinion, the true order of the causes of the depreciation of Silver; in total independence of all matters of theory or practice involved in the general problem.

Appendix, No. 3.

PAPER handed in by Mr. *Henry Waterfield.*

STATEMENT comparing the Figures relating to the PRODUCTION of GOLD and SILVER throughout the

ESTIMATES of Average ANNUAL PRODUCTION for the Period from 1800 to 1848.

Authorities.	Years.	Countries.	Gold.		Silver.	
			£.	£.	£.	£.
Humboldt	1800	Europe	178,698		468,177	
		Northern Asia	73,124		192,968	
		America	2,382,315		7,071,831	
				2,634,137		7,732,976
Jacob	1809 to 1829	Europe and Asia (quoted from Humboldt)	720,000		530,000	
		Mexico, Guatemala, and South America	878,000		3,109,000	
				1,598,000		3,639,000

AVERAGE ANNUAL PRODUCTION from 1849 to 1875.

GOLD.

YEARS.	RUSSIA.			AMERICA.				AUSTRALIA.			
				United States.	California.	Deposits at United States Mint.	Mexico and South America.	Australia.	Victoria and New South Wales.	Net Exports from Australia, and Coinage of Sydney and Melbourne Mints.	
	(Tooke and Newmarch, taken from the "Economist.")	("Economist.")	(Sir H. Hay.)	(Sir H. Hay.)	(Tooke and Newmarch, taken from the ("Economist.")	(Reports of Director of the Mint, quoted from "Economist.")	(Sir H. Hay.)	(Sir H. Hay.)	(Tooke and Newmarch, taken from "Economist.")	(Parliamentary Reports, quoted by "Economist.")	
	(1.)	(2.)	(3.)	(4.)	(5.)	(6.)	(7.)	(8.)	(9.)	(10.)	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	
1849	3,650,000	- -	- -	- -	1,770,000	- -	- -	- -	- -	- -	1
1850	3,390,000	- -	- -	- -	5,500,000	- -	- -	- -	- -	- -	2
1851	3,460,000	- -	- -	- -	9,070,000	- -	- -	- -	990,000	- -	3
1852	3,460,000	- -	2,450,000	12,000,000	12,870,000	- -	1,000,000	20,600,000	10,700,000	- -	4
1853	2,840,000	- -	2,450,000	13,000,000	13,760,000	- -	1,000,000	14,140,000	11,480,000	- -	5
1854	2,840,000	- -	2,450,000	12,000,000	15,510,000	- -	1,000,000	9,540,000	9,930,000	- -	6
1855	2,840,000	- -	2,450,000	11,000,000	14,740,000	- -	1,000,000	12,065,000	12,660,000	- -	7
1856	2,840,000	- -	2,750,000	11,000,000	15,400,000	- -	1,000,000	14,270,000	14,010,000	- -	8
1857	- -	3,549,000	2,750,000	11,000,000	- -	12,000,000	1,000,000	11,405,000	- -	12,096,000	9
1858	- -	3,454,000	2,750,000	10,000,000	- -	8,195,000	000,000	10,680,000	- -	12,762,000	10
1859	- -	3,156,000	2,750,000	10,000,000	- -	5,441,000	900,000	10,820,000	- -	12,861,000	11
1860	- -	3,053,000	2,750,000	9,200,000	- -	3,792,000	900,000	10,500,000	- -	11,838,000	12
1861	- -	2,980,000	3,000,000	8,600,000	- -	6,839,000	900,000	9,760,000	- -	12,635,000	13
1862	- -	2,990,000	3,000,000	7,800,000*	- -	6,195,000	900,000	9,350,000	- -	12,933,000	14
1863	- -	2,988,000	3,110,000	8,000,000	- -	4,124,000	900,000	8,880,000	- -	13,003,000	15
1864	- -	2,862,000	2,950,000	9,220,000	- -	4,410,000	800,000	9,130,000	- -	11,724,000	16
1865	- -	3,227,000	3,275,000	10,645,000	- -	5,222,000	800,000	8,820,000	- -	11,805,000	17
1866	- -	3,397,000	3,380,000	10,700,000	- -	5,794,000	800,000	8,840,000	- -	12,529,000	18
1867	- -	3,377,000	3,350,000	10,345,000	- -	6,139,000	700,000	7,910,000	- -	11,184,000	19
1868	- -	3,503,000	3,600,000	9,600,000	- -	4,341,000	600,000	7,645,000	- -	11,670,000	20
1869	- -	4,108,000	4,025,000	9,900,000	- -	5,514,000	500,000	6,320,000	- -	11,661,000	21
1870	- -	4,414,000	4,540,000	10,000,000	- -	5,179,000	500,000	5,830,000	- -	9,457,000	22
1871	- -	4,913,000	4,800,000	8,700,000	- -	6,461,000	750,000	6,650,000	- -	10,419,000	23
1872	- -	4,771,000	4,650,000	7,200,000	- -	2,466,000	750,000	6,810,000	- -	10,332,000	24
1873	- -	4,500,000	4,500,000	7,200,000	- -	5,775,000	750,000	6,290,000	- -	11,671,000	25
1874	- -	4,035,000	4,500,000	6,400,000†	- -	5,947,000	750,000	6,000,000	- -	9,898,000	26
1875	- -	4,000,000	4,500,000	8,000,000	- -	6,853,000	750,000	5,750,000	- -	9,500,000	27
TOTALS	25,320,000 in 8 years, 1849 to 1856.	69,277,000 in 19 years, 1857 to 1875.	80,730,000 in 24 years, 1852 to 1875.	231,510,000 in 24 years, 1852 to 1875.	88,620,000 in 8 years, 1849 to 1856.	110,687,000 in 19 years, 1857 to 1875.	19,950,000 in 24 years, 1852 to 1875.	228,005,000 in 24 years, 1852 to 1875.	59,770,000 in 6 years, 1851 to 1856.	219,978,000 in 19 years, 1857 to 1875.	28 29 30

Note.—Sir H. Hay's figures from 1852 to 1873 are chiefly taken from the Report of the Director of the U.S. Mint for 1874–75 (*see* Question 12); and the amounts for Gold are said to include the proportion of Gold contained in Silver.

* The amount for 1862 should apparently have been 7,840,000 *l.*

† The most recent information from the Director of the U.S. Mint (in continuation of the figures given in his Report for 1874–75) gives the production in 1874 as 8,000,000 *l.* (*See* Appendix, No. 21, p. 138.)

Appendix, No. 3.

PAPER handed in by Mr. *Henry Waterfield.*

World since 1848, as shewn in Statements laid before the Committee by Sir *Hector Hay* and Mr. *Giffen.*

Estimates of Average Annual Production for the Period from 1800 to 1848.

Authorities.	Years.	Countries.	Gold. £.	Gold. £.	Silver. £.	Silver. £.
Tooke's History of Prices.	1819 to 1828 (10 years)	Russia	3,503,029, giving an annual average of	350,303	Not given.	—
	1829 to 1846 (18 years)	ditto	25,847,215, giving an annual average of	1,435,956		
	1846 (1 year)	ditto		3,527,066		
Chevalier	Before 1848	Europe, excluding Russia	360,000		1,320,000	—
		Russia, European and Asiatic	4,100,000		200,000	—
		Africa	550,000	—	—	—
		America, North and South	2,100,000		6,200,000	—
		Archipelago of Asia and other Sources	3,000,000		1,000,000	—
				10,110,000		8,720,000

Average Annual Production from 1849 to 1875.

	GOLD.			SILVER.					GOLD and SILVER.			
	Other Countries not specified.	TOTAL GOLD.		RUSSIA.	AMERICA. United States.	AMERICA. Mexico and South America.	Other Countries not specified.	TOTAL SILVER.	GRAND TOTAL of GOLD and SILVER.	Percentage of Silver produced to each 100 *l.* of Gold, computed from Tables put in by Sir H. Hay.		Years.
	(Sir H. Hay.)	(Tooke and Newmarch, and "Economist.") Total of 1, 2, 5, 6, 9, and 10.	(Sir H. Hay.) Total of 3, 4, 7, 8, and 11.	(Sir H. Hay.)	(Sir H. Hay.)	(Sir H. Hay.)	(Sir H. Hay.)	Sir H. Hay.) Total of 14, 15, 16, and 17.	(Sir H. Hay.) Total of 13 and 18.	In each Year.	From 1852 to end of each Year.	
	(11.)	(12.)	(13.)	(14.)	(15.)‡	(16.)	(17.)	(18.)	(19.)	(20.)	(21.)	
	£.	£.	£.	£.	£.	£.	£.	£.	£.			
1	- -	5,420,000	—	—	—	—	—	—	—	—	—	1849
2	- -	8,890,000	—	—	—	—	—	—	—	—	—	1850
3	- -	13,520,000	—	—	—	—	—	—	—	—	—	1851
4	500,000	27,030,000	36,550,000	120,000	- -	6,000,000	2,000,000	8,120,000	44,670,000	22·22	22·22	1852
5	500,000	28,080,000	31,090,000	120,000	- -	6,000,000	2,000,000	8,120,000	39,210,000	26·12	24·01	1853
6	500,000	28,280,000	25,490,000	120,000	- -	6,000,000	2,000,000	8,120,000	33,610,000	31·86	26·16	1854
7	500,000	30,240,000	27,015,000	120,000	- -	6,000,000	2,000,000	8,120,000	35,135,000	30·05	27·03	1855
8	500,000	32,250,000	29,520,000	130,000	- -	6,000,000	2,000,000	8,130,000	37,650,000	27·54	27·13	1856
9	500,000	27,645,000	26,655,000	130,000	- -	6,000,000	2,000,000	8,130,000	34,785,000	30·50	27·64	1857
10	500,000	24,411,000	24,930,000	130,000	- -	6,000,000	2,000,000	8,130,000	33,060,000	32·61	28·26	1858
11	500,000	21,458,000	24,970,000	130,000	20,000	6,000,000	2,000,000	8,150,000	33,120,000	32·64	28·74	1859
12	500,000	18,683,000	23,850,000	130,000	30,000	6,000,000	2,000,000	8,160,000	32,010,000	34·21	29·26	1860
13	500,000	22,454,000	22,760,000	140,000	400,000	6,000,000	2,000,000	8,540,000	31,300,000	37·52	29·95	1861
14	500,000	22,118,000	21,550,000	140,000	900,000	6,000,000	2,000,000	9,040,000	30,590,000	41·95	30·83	1862
15	500,000	20,115,000	21,390,000	140,000	1,700,000	6,000,000	2,000,000	9,840,000	31,230,000	46·00	31·86	1863
16	500,000	18,996,000	22,600,000	140,000	2,200,000	6,000,000	2,000,000	10,340,000	32,940,000	45·75	32·79	1864
17	500,000	20,254,000	24,040,000	140,000	2,250,000	6,000,000	2,000,000	10,390,000	34,430,000	43·22	33·48	1865
18	500,000	21,720,000	24,220,000	145,000	2,000,000	6,000,000	2,000,000	10,145,000	34,365,000	41·89	34·01	1866
19	500,000	20,700,000	22,805,000	145,000	2,700,000	6,000,000	2,000,000	10,845,000	33,650,000	47·56	34·76	1867
20	500,000	19,514,000	21,945,000	145,000	2,400,000	5,500,000	2,000,000	10,045,000	31,990,000	45·78	35·32	1868
21	500,000	21,283,000	21,245,000	100,000	2,400,000	5,000,000	2,000,000	9,500,000	30,745,000	44·72	35·76	1869
22	500,000	19,050,000	21,370,000	115,000	3,200,000	5,000,000	2,000,000	10,315,000	31,685,000	48·29	36·33	1870
23	500,000	21,793,000	21,400,000	110,000	4,600,000	5,500,000	2,000,000	12,210,000	33,610,000	57·06	37·22	1871
24	500,000	17,569,000	19,910,000	100,000	5,750,000	5,200,000	2,000,000	13,050,000	32,960,000	65·55	38·32	1872
25	500,000	21,946,000	19,240,000	100,000	7,150,000	4,800,000	2,000,000	14,050,000	33,290,000	73·02	39·56	1873
26	500,000	19,880,000	18,150,000	100,000	7,200,000	5,000,000	2,000,000	14,300,000	32,450,000	78·79	40·83	1874
27	500,000	20,353,000	19,500,000	100,000	9,000,000§	5,000,000	2,000,000	16,100,000	35,600,000	82·56	42·27	1875
28	12,000,000	573,652,000	572,195,000	2,990,000	53,900,000‡	137,000,000	48,000,000	241,890,000	814,085,000	42·27		Total.
29	in 24 years,	in 27 years,	in 24 years,	in 24 years,	in 18 years,	in 24 years,	in 24 years,	in 24 years,	in 24 years,			
30	1852 to 1875.	1849 to 1875.	1852 to 1875.	1852to1875.	1858 to 1875.	1852 to 1875.	1852 to 1875.	1852 to 1875.	1852 to 1875.			

‡ Said to exclude the proportion of Gold contained in Silver.

§ From a San Francisco Paper of January 1876.

Appendix, No. 4.

Appendix, No. 4.

PAPERS handed in by Mr. *R. Giffen*, and referred to in his Evidence.

— I. —

ESTIMATED ANNUAL PRODUCTION of GOLD and SILVER at various Dates from 1800 to the present Time, shewing the Proportion of Silver to Gold.

A.—HUMBOLDT'S ESTIMATE of Average Annual Production at beginning of the Nineteenth Century.

[As given at p. 400, Vol. III., of the "Essai Politique sur le Royaûme de la Nouvelle Espagne." Paris. Jules Renouard, 1827.]

(The francs are converted into sterling, at 25 per £.)

COUNTRIES.	Weight of Gold and Silver.		Value of Gold and Silver.	
	Gold.	Silver.	Gold.	Silver.
	Kilogrammes.	*Kilogrammes.*	£.	£.
Europe	1,297	52,670	178,698	468,177
Northern Asia	538	21,709	73,124	192,968
America	17,291	795,581	2,382,315	7,071,831
TOTAL	19,126	869,960	2,634,137	7,732,976

According to this, the weight of Silver annually produced was as 46 to 1 of Gold, and the value as 3 to 1.

B.—JACOB'S ESTIMATE of Average Annual Production of Period 1809 to 1829.

[Summarised from Vol. II. of "Jacob on Precious Metals," pp. 225–269. *See* Note.]

COUNTRIES.	Gold.	Silver.
	£.	£.
Mexico	105,000	2,135,000
Guatemala	-	30,000
Columbia	343,000	7,000
Peru	65,000	609,000
Buenos Ayres	63,000	252,000
Chili	97,000	76,000
Brazil	205,000	—
TOTAL £.	878,000	3,109,000
Add,—		
Europe and Asia *	720,000	530,000
GRAND TOTAL £.	1,598,000	3,639,000

According to this the value of Silver produced in the period was as 2·3 to 1 of Gold.

* Mr. Jacob quotes for this, a contribution of Humboldt's to Puffendorf's Annalen.

[*Note.*—Mr. Jacob does not give any table in this form, shewing the proportions of Silver and Gold in the total production, but the table has been compiled from his statements in detail, with the assistance, as regards Mexico, of the Parliamentary Paper copied in Table VII. subjoined, and the totals agree nearly with those in Mr. Jacob's General Summary at the end of the chapter.]

Appendix, No. 4.

C.—M. Chevalier's Estimate of the Annual Production of the Silver and Gold Mines of the World prior to the Gold Discoveries of 1848.

[As quoted in Tooke's "History of Prices," Vol. VI., p. 144, and repeated with minor alterations in the same volume, Appendix, p. 768.]

Countries.	Gold.	Silver.
	Mlns. Sterling.	*Mlns. Sterling.*
North and South America	2·10	6·20
Europe, excluding Russia	·36	1·32
Russia (European and Asiatic)	4·10	·20
Africa	·55	—
Archipelago of Asia and other sources	3·00	1·00
Total	10·11	8·72

According to this, the production of Silver was to Gold as 0·86 to 1.

D.—Summary of Estimated Production of Gold and Silver in the Period 1852–75, handed in by Sir Hector Hay, with the Proportion of Silver to Gold.

Annual Average of Five Years.	Gold.	Silver.	Proportion of Silver to Gold.
	Millions Sterling.	*Millions Sterling.*	
1852–56	29·9	8·1	0·27 to 1
1857–61	24·6	8·2	0·33 to 1
1862–66	22·7	9·9	0·44 to 1
1867–71	23·6	10·6	0·41 to 1
1871–75	20·4	13·9	0·68 to 1

Note.—The Estimates in the above Table are of course only put forward on the authority of the authors who are cited. It is proper to notice, however, that the Estimate of Gold in 1848 appears to be greater, as regards South America, and also as regards the Archipelago of Asia and other sources, than is quite easily accounted for on a comparison with the earlier and with the later Estimates. The item of 3,000,000 *l.* for Archipelago of Asia and other sources, appears to be especially inconsistent. But the reduction of this Estimate would raise the proportion of Silver to Gold at that time, and make the subsequent change in the proportions more striking.

— II. —

Movement of Gold and Silver in the English Market, at various Dates from 1800 to the present Time.

A.—Exports of Gold and Silver from United Kingdom in Ten Years ending 1810.

[From Appendix to Bullion Committee's Report in 1810, pp. 2–5.]

Years.	Gold.	Silver.	Years.	Gold.	Silver.
	Oz.	*Oz.*		*Oz.*	*Oz.*
1801	28,112	2,070,425	1809	14,716	3,570,783
1802	103,377	2,123,884	1810	69,962	3,190,742
1803	23,673	3,793,156		275,927	37,303,953
1804	3,053	6,434,039			
1805	-	4,600,296			
1806	17,007	7,951,261		=at £.3.17.9. per oz.	=at 5*s.* per oz.
1807	3,019	3,063,094			
1808	13,008	506,273		£. 1,072,665	£. 9,323,488

According to this, the value of Silver Exported in the above period was as 8·7 to 1 of Gold.

Appendix, No. 4.

B.—Exports of Gold and Silver from United Kingdom in 1830–53.

[As stated at p. 709 of Tooke's "History of Prices," Vol. VI. The figures there given are stated to be "as the entries appear in the Books of the Custom House."]

YEARS.	Gold.	Silver.	Proportion of Silver to Gold.
	Millions Sterling.	*Millions Sterling.*	
1830–34 - - -	6·22	19·56	3·1 to 1
1835–39 - - -	7·45	14·41	1·9 to 1
1840–44 - - -	4·72	17·84	3·8 to 1
1845–49 - - -	8·61	24·82	2·9 to 1
1850–53 - - -	24·35	21·57	0·9 to 1

C.—Imports and Exports of Gold and Silver into and from the United Kingdom in the Years 1858–74, shewing the Proportion of Silver to Gold.

[Summarised from the two following Tables, which are compiled from the Board of Trade Annual Statements of Trade and Navigation.]

YEARS.	GOLD.			SILVER.			Proportion of Silver to Gold.
	Imports.	Exports.	Total	Imports.	Exports.	Total	
	Mlns. Sterling.	*Mlns. Sterling.*	*Mlns. Sterling.*	*Mlns. Sterling.*	*Mlns. Sterling.*	*Mlns. Sterling.*	
1858–61 -	69·8	57·5	127·3	38·4	44·1	72·5	0·57 to 1
1862–66 -	93·9	65·8	159·7	51·2	49·9	101·1	0·63 to 1
1867–71 -	87·1	59·8	146·9	49·6	43·8	93·4	0·63 to 1
1872–75 -	80·3	68·3	148·6	46·5	41·5	88·0	0·59 to 1

— III. —

Imports and Exports of Gold into and from the United Kingdom in each Year, 1858–75, referred to in preceding Table II.

[Compiled from the Board of Trade Annual Statements of Trade and Navigation, and from the Monthly Returns.]

YEARS.	Imports.	Exports.	YEARS.	Imports.	Exports.
	£.	£.		£.	£.
1858 - - -	22,793,000	12,567,000	1867 - - -	15,800,000	7,889,000
1859 - - -	22,298,000	18,081,000	1868 - - -	17,136,000	12,708,000
1860 - - -	12,585,000	15,642,000	1869 - - -	13,771,000	8,474,000
1861 - - -	12,164,000	11,238,000	1870 - - -	18,807,000	10,014,900
			1871 - - -	21,619,000	20,698,000
1858–61 - -	69,840,000	57,528,000	1867–71 - -	87,133,000	59,783,000
1862 - - -	19,904,000	16,012,000	1872 - - -	18,469,000	19,749,000
1863 - - -	19,148,000	15,303,000	1873 - - -	20,611,000	19,071,000
1864 - - -	16,901,000	13,280,000	1874 - - -	18,081,000	10,642,000
1865 - - -	14,486,000	8,493,000	1875 - - -	23,101,000	18,810,000
1866 - - -	23,510,000	12,742,000	1872–75 - -	80,262,000	68,272,000
1862–66 - -	93,944,000	65,830,000	Total - £.	331,179,000	251,413,000

— IV. —

IMPORTS and EXPORTS of SILVER into and from the UNITED KINGDOM, 1858–75, referred to in preceding Table II.

[Compiled from the Board of Trade Annual Statements and Monthly Returns.]

YEARS.	Imports.	Exports.	YEARS.	Imports.	Exports.
	£.	£.		£.	£.
1858 - - -	6,700,000	7,062,000	1867 - - -	8,021,000	6,435,000
1859 - - -	14,772,000	17,608,000	1868 - - -	7,716,000	7,512,000
1860 - - -	10,394,000	9,893,000	1869 - - -	6,730,000	7,904,000
1861 - - -	6,583,000	9,573,000	1870 - - -	10,649,000	8,906,000
			1871 - - -	16,522,000	13,062,000
1858–61 - -	38,449,000	44,136,000	1867–71 - -	49,638,000	43,819,000
1862 - - -	11,753,000	13,314,000	1872 - - -	11,139,000	10,587,000
1863 - - -	10,888,000	11,241,000	1873 - - -	12,988,000	9,828,000
1864 - - -	10,827,000	9,853,000	1874 - - -	12,298,000	12,212,000
1865 - - -	6,977,000	6,599,000	1875 - - -	10,124,000	8,907,000
1866 - - -	10,777,000	8,897,000		46,549,000	41,534,000
1862–66 - -	51,222,000	49,904,000	TOTAL - - £.	185,858,000	179,393,000

— V. —

STATEMENT as to GOLD PRODUCTION from Principal Countries from 1848 to 1875.

A.—SUPPLIES of GOLD from *California*, *Australia*, and *Russia*, during the Eight Years, 1849–56.

[Extracted from Tooke and Newmarch's "History of Prices," Vol. VI., p. 150, the information being chiefly obtained from the "Economist" of 24th January 1857.]

YEARS.	California.	Victoria.	New South Wales.	Russia.	TOTALS.
	£.	£.	£.	£.	£.
1849 - - -	1,770,000	- -	- -	3,650,000	5,420,000
1850 - - -	5,500,000	- -	- -	3,390,000	8,890,000
1851 - - -	9,070,000	480,000	510,000	3,460,000	13,520,000
1849–51 - -	16,340,000	480,000	510,000	10,500,000	27,830,000
1852 - - -	12,870,000	6,740,000	3,960,000	3,460,000	27,030,000
1853 - - -	13,760,000	9,530,000	1,950,000	2,840,000	28,080,000
1854 - - -	15,510,000	9,080,000	850,000	2,840,000	28,280,000
1855 - - -	14,740,000	12,430,000	230,000	2,840,000	30,240,000
1856 - - -	15,400,000	13,900,000	110,000	2,840,000	32,250,000
1852–56 - -	72,280,000	51,680,000	7,100,000	14,820,000	145,880,000
1849–56 - - - £.	88,620,000	52,160,000	7,610,000	25,320,000	173,710,000

Appendix, No. 4.

B.—Production between 1857 and 1875.

[Extracted from "Economist" of 3rd August 1872, as to the Years 1857–71, and since revised and continued by Witness. *See* Note.]

YEARS.	Net Exports from Australia. 1.	Coinage of Sidney Mint, and inclusive of Melbourne Mint after 1872. 2.	Deposits of Gold of Domestic Production at United States Mint. 3.	Production in Russia. 4.	Totals. 5.
	£.	£.	£.	£.	£.
1857	11,329,000	767,000	12,000,000	3,549,000	27,645,000
1858	11,419,000	1,343,000	8,195,000	3,454,000	24,411,000
1859	11,640,000	1,221,000	5,441,000	3,156,000	21,458,000
1860	10,186,000	1,652,000	3,792,000	3,053,000	18,683,000
1861	10,916,000	1,719,000	6,839,000	2,980,000	22,454,000
1857–61	55,490,000	6,702,000	36,267,000	16,192,000	114,651,000
1862	10,455,000	2,478,000	6,195,000	2,990,000	22,118,000
1863	11,468,000	1,535,000	4,124,000	2,988,000	20,115,000
1864	9,025,000	2,699,000	4,410,000	2,862,000	18,996,000
1865	9,533,000	2,272,000	5,222,000	3,227,000	20,254,000
1866	9,618,000	2,911,000	5,794,000	3,397,000	21,720,000
1862–66	50,099,000	11,895,000	25,745,000	15,464,000	103,203,000
1867	8,783,000	2,401,000	6,139,000	3,377,000	20,700,000
1868	9,351,000	2,319,000	4,341,000	3,503,000	19,514,000
1869	10,382,000	1,279,000	5,514,000	4,108,000	21,283,000
1870	8,237,000	1,220,000	5,179,000	4,414,000	19,050,000
1871	7,605,000	2,814,000	6,461,000	4,913,000	21,793,000
1867–71	44,358,000	10,033,000	27,634,000	20,315,000	102,340,000
1872	7,591,000	2,741,000	2,466,000	4,771,000	17,569,000
1873	9,359,000	2,312,000	5,775,000	4,500,000*	21,946,000
1874	6,500,000*	3,398,000	5,947,000	4,035,000	19,880,000
1875	6,500,000*	3,000,000*	6,853,000	4,000,000*	20,353,000
	29,950,000	11,451,000	21,041,000	17,306,000	79,748,000
£.	179,897,000	40,081,000	110,687,000	69,277,000	399,942,000

* Estimates.

[*Note.*—The figures in Column 1 were taken from the Statistical Abstract for the Colonies; in Column 2, from the Reports of the Master of the Mint (United Kingdom); in Column 3, from the Reports of the United States Director of the Mint; and in Column 4, from information supplied to the "Economist." A considerable part of the coinage of the Sydney Mint has been exported; and the Australian production would probably be more than the amounts in the first column, on the average of years, though less than the amounts in Columns 1 and 2 together.]

— VI. —

Statement of the Quantity of Gold produced in *Russia* during the 28 Years, 1819–46.

[Extracted from Tooke's "History of Prices," Vol. IV. (1839–47), p. 452–4.]

	Poods.	*liv.*	*zol.*		*Poods.*	*liv.*	*zol.*		*Poods.*	*liv.*	*zol.*
Year 1819	40	9	55	Year 1829	314	31	1	Year 1840	585	15	60
1820	44	3	0	1830	378	15	79	1841	681	20	34
1821	52	4	85	1831	396	29	37	1842	950	26	68
1822	79	21	36	1832	410	8	61	1843	1,283	2	60
1823	125	19	79	1833	408	22	71	1844	1,341	25	60
1824	228	13	38	1834	406	4	64	1845	1,386	6	41
1825	257	12	54	1835	413	1	8	1846	1,722	29	87
1826	257	25	15	1836	426	3	74				
1827	307	30	95	1837	469	20	75				
1828	317	39	44	1838	524	36	69				
1819–28	1,711	0	21	1839	525	6	38	1829–46	12,624	28	24

RESUMÉ.

	Poods.	*liv.*	*zol.*	Equal to oz. Troy.	Value at 77*s.* 9*d.* p' oz.
					£.
Yield in 1846	1,722	29	87	907,284	3,527,066
Yield from 1819 (the period when some golden sands were discovered in Oural) to 1828, inclusive	1,711	0	21	901,101	3,503,029
Yield from 1829 (when a discovery was made in Siberia) to 1846, inclusive	12,624	28	24	6,648,801	25,847,215
Total	14,335	28	45	7,549,902	29,350,244

0.77. N

COPY of STATEMENT from "Marshall's Digest of Parliamentary Papers," p. 173, viz.:—STATEMENT shewing the PRODUCE of the GOLD and SILVER MINES of *Mexico, Chili,* and *Peru,* in each of the 40 Years, 1790-1829, according to the Returns made by the British Consuls at the respective Places, and Printed by Order of Parliament, in the Session of 1832.—(*Vide* Paper, No. 338, of 36 folios, of that Session.)

*** The Annual Average Produce in each of the Five Years, 1825-1829, of each of the Seven Provinces of Mexico, was as follows, viz., Zacatecas, 3,768,650; Mexico, 2,637,718; Guanajuato, 1,351,475; San Luis Potosi, 933,806; Durango, 823,814; Guadalaxara, 636,231; Tlalpam, 575,674; Total, 10,777,371 dollars. The following is the Total Produce of the Russian Mines, in the Ural Mountains, in the 10 Years, 1820-1829, viz., 65,330⅛ lbs. of Gold, 412,2961¼ lbs. of Silver, and 6,067½ lbs. of Platina, equal together to about 500,000*l.* annually; the Gold has progressively increased from 2,154 lbs. to 11,575 lbs. per annum, and the Platina from 48 lbs. in 1821, to 3,187 lbs. in 1829; the Silver has remained stationary. The bulk of the Silver, and one-seventh of the Gold, belongs to the privy purse of the Emperor; four-sevenths of the Gold, and the greater portion of the Platina, to individuals; and the remainder to the Crown.

*** For the Coinage of Mexico, from 1700 to 1790, *see* pages 98, 99. From 1790 to 1809 the two accounts correspond, but subsequent to that date they exhibit great disparity; the present is entitled to the highest confidence.

YEARS.	Coinage in Dollars of all the Legal Mints in the Viceroyalty of Mexico.			Proportion. — City of Mexico.	Export.	Stamped at the Mint of St. Jago de Chili.		Brought to the Royal Mint of Potosi.		Exported from Monte Video and Buenos Ayres.	San Pedro Nolasco.	Raised in, and Exported from, Coquimbo.		Castellanos 6¼ equal to 1 oz. Gold Dust Exported from Panama.
	Silver.	Gold.	TOTAL.			Gold.	Silver.	Gold.	Silver.					
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	
1790	17,435,645	628,044	18,063,689	17,867,994	4,558,854	- -	- -	299,846	3,983,176	- -	7,722	—	—	—
1791	20,140,937	980,776	21,121,713	20,895,990	5,587,252	- -	- -	266,526	4,365,005	- -	8,786	—	—	—
1792	23,225,612	969,430	24,195,042	24,054,455		- -		158,746	4,278,781	- -	6,538	—	—	—
1793	23,428,680	884,262	24,312,942	24,219,606	No returns for	- -		238,680	4,355,918	- -	2,143	- -	- -	29,723
1794	21,216,872	794,160	22,011,032	21,856,004	these years.	- -		297,874	4,379,293	- -	515	- -	- -	31,971
1795	23,948,930	644,552	24,593,482	24,545,766		- -		276,692	4,228,843	- -	1,972	From 1790 to 1810 the		42,928
1796	24,346,833	1,297,794	25,644,627	25,627,208	6,722,987	- -		389,980	4,408,032	- -	4,438	produce of gold is		37,103
1797	24,041,183	1,038,856	25,080,039	25,114,621	33,532	- -		553,384	3,853,050	- -	606	stated to have averaged		8,196
1798	23,004,981	999,608	24,004,589	24,019,181	1,605,122	- -		628,524	4,160,792	- -	2,703	150,000, and the silver		5,039
1799	21,096,031	957,094	22,053,125	22,020,432	4,359,591	- -		387,056	4,082,635	- -	- -	200,000 dollars an-		29,879
1800	17,898,511	787,164	18,685,675	18,689,988	4,494,968	- -		456,008	3,889,064	- -	1,503	nually. In the three-		35,939
1801 *	15,958,044	610,398	16,568,442	16,718,567	864,371	- -		476,204	4,090,863	- -	2,641	quarters of the year		40,090
1802 *	17,959,477	839,122	18,791,599	18,811,646	48,814,562	- -		327,658	2,353,242	- -	3,895	ending 30th September		50,330
										Monte Video.		1831, the produce of		
1803	22,520,856	646,050	23,166,906	23,230,524	15,554,635	- -		381,208	2,351,890	2,260,125	3,084	all the mines, includ-		45,221
1804	26,130,971	959,030	† 27,090,001	27,058,518	30,429,602	- -		359,924	3,202,120	7,722,372	1,099	ing 38,726 qtls. of		16,763
1805	25,806,074	1,359,814	27,165,888	27,193,297	639,647	- -		784,890	3,239,970	31,836	4,412	copper, was 767,631		7,485
1806	23,383,673	1,352,348	24,736,021	24,776,733	3,151,905	- -		619,820	3,152,675	- -	5,440	dollars.		1,933
1807	20,502,434	1,512,266	22,014,700	21,983,178	19,287,710	- -		624,716	3,673,071	- -	3,686	- -	- -	3,150
1808	20,703,985	1,182,516	21,886,501	21,933,502	11,883,044	631,998	169,404	571,608	2,519,630	- -	3,003	—	—	—
1809	24,708,164	1,464,818	26,172,982	26,187,446	21,793,500	655,574	162,593		2,590.116	1,887,252	4,508	—	—	—
1810	18,566,717	1,095,504	19,662,221	19,080,998	11,636,872	865,588	157,708		2,637,631	872,880	295	—	—	—
												Gold.	Silver.	
1811	13,210,583	1,085,364	14,295,947	10,026,755	7,233,553	712,042	112,289	The amount in the following column, subsequent to 1807, is stated to be the amount of Silver brought to the Royal Rescate Bank, and not to the Mint of Potosi.	2,857,163	319,869	4,508	200,000	250,000	—
1812	8,998,896	412,435	9,411,331	4,396,729	4,034,655	766,860	353,665		2,049,582	132,020	5,928	200,000	250,000	—
1813	10,509,994	30,789	10,540,783	6,119,648	11,283,526	622,604	509,918		1,860,194	257,637	4,961	200,000	280,000	—
1814	10,612,579	618,069	11,230,648	7,522,614	9,276,872	470,136	380,330		1,999,555	37,750	1,823			
1815	7,932,824	486,464	8,419,288	6,939,470	8,226,609	650,256	412,660		568,401	- -	8,214	300,000	400,000	—
1816	9,578,097	960,393	10,538,491	9,291,375	8,423,534	642,206	492,082		1,561,656	- -	5,498			
1817	9,083,039	854,942	9,937,981	8,798,275	7,659,890	598,128	539,537		1,557,480	- -	3,759			
1818	12,365,996	533,921	12,899,917	11,393,467	4,264,450	503,472	375,213		1,376,813	- -	1,479	250,000	250,000	—

* These two years appear to be misplaced in the print in Marshall.

† This total is 3,000,000 more than that given by Humboldt, in his "New Spain," in a table which otherwise closely agrees with this.

VII.—Statement showing the Produce of the Gold and Silver Mines of *Mexico*, *Chili*, and *Peru*, in each of the 40 Years, 1790–1829, &c.– *continued.*

YEARS.	Coinage in Dollars of all the Legal Mints in the Viceroyalty of Mexico.			Proportion. City of Mexico.	Export.	Stamped at the Mint of St. Jago de Chili.		Brought to the Royal Mint of Potosi.		Exported from Monte Video and Buenos Ayres.	San Pedro Nolasco.	Raised in, and Exported from, Coquimbo.		Castellanos 6¼ equal to 1 oz. Gold Dust Exported from Panama.
	Silver.	Gold.	Total.			Gold.	Silver.	Gold.	Silver.					
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	
1819 - -	12,762,213	539,377	13,301,590	12,031,044	6,002,737	626,590	241,495	The amount in the following column, subsequent to 1807, is stated to be the amount of Silver brought to the Royal Rescate Bank, and not to the Mint of Potosi.	1,227,502	- -	3,135	250,000	350,000	—
1820 - -	11,077,580	509,076	11,586,656	10,398,260	10,104,645	583,816	118,945		1,114,625	- -	- -	200,000	400,000	—
1821 - -	7,764,056	303,504	8,067,560	5,894,145	10,023,020	271,336	131,723		1,171,497	- -	- -	150,000	500,000	—
										Buenos Ayres.				*Dollars.*
1822 - -	10,852,822	214,128	11,066,950	5,539,145	9,338,357	527,278	153,495		1,350,599	1,357,117	*See* Note to St. Jago de Chili.	150,000	400,000	14,561
1823 - -	9,115,272	343,264	9,458,536	3,561,040	3,391,924	313,160	48,810		1,412,172	839,977		150,000	450,000	16,564
1824 - -	9,362,391	318,192	9,680,583	3,499,754	6,503,648	188,001	15,256		1,420,582	1,562,705		200,000	450,000	1,494
1825 - -	8,668,474	525,212	9,193,686	3,732,914	3,714,354	156,953	3,100		1,238,200	1,150,979		200,000	600,000	—
1826 - -	8,376,130	232,141	8,608,278	3,212,927	5,925,367	176,220	6,116		1,080,100	2,521,990		200,000	650,000	1,423
1827 - -	10,021,868	597,349	10,619,217	3,449,792	9,669,428	38,390	531		- -	Export prohibited.		150,000	600,000	1,732
1828 - -	9,791,185	191,720	9,982,905	1,491,750	12,367,766	77,031	- -		- -			200,000	700,000	25,208
1829 - -	11,100,965	686,168	11,787,133	1,276,903	13,010,020	- -	- -		- -	- -	- -	250,000	650,000	22,522
1830 - -	- -	- -	- -	- -	- -	55,938	6,874		- -	- -	- -	150,000	600,000	—

— VIII. —

Imports of Silver into United Kingdom from *America* from 1852 to 1875 (less Exports after 1858).

[Compiled from Board of Trade Returns, except as to the years 1852–56, for which the figures are taken from the "Economist" of 24th January 1857.]

YEARS.	Mexico, South America, &c.	United States.	Totals.	YEARS.	Mexico, South America, &c.	United States.	Totals.	YEARS.	Mexico, South America, &c.	United States.	Totals.
	£.	£.	£.		£.	£.	£.		£.	£.	£.
1852 - - -	- - -	- - -	3,971,000	1861 - - -	4,913,000	† 56,000	4,857,000	1869 - - -	2,416,000	1,108,000	3,524,000
1853 - - -	- - -	- - -	6,171,000	1862 - - -	6,263,000	332,000	6,595,000	1870 - - -	3,717,000	3,365,000	7,082,000
1854 - - -	- - -	- - -	4,670,000	1863 - - -	6,635,000	613,000	7,248,000	1871 - - -	3,330,000	5,688,000	9,018,000
1855 - - -	- - -	- - -	4,260,000	1864 - - -	6,882,000	150,000	7,032,000	1872 - - -	2,719,000	4,575,000	7,294,000
1856 - - -	- - -	- - -	5,307,000	1865 - - -	4,901,000	225,000	5,126,000	1873 - - -	3,025,000	5,990,000	9,015,000
1858 - - -	2,786,000	242,000	3,028,000	1866 - - -	4,352,000	1,833,000	6,185,000	1874 - - -	3,940,000	3,452,000	7,392,000
1859 - - -	3,278,000	1,759,000	5,037,000	1867 - - -	4,982,000	1,472,000	6,454,000	1875 - - -	3,374,000	3,092,000	6,466,000
1860 - - -	4,324,000	872,000	5,196,000	1868 - - -	3,342,000	1,916,000	5,258,000				

† Excess of Exports to United States.

Appendix, No. 5 A.

PAPERS put in by Mr. *S. Pixley*, and referred to in his Evidence of 23rd March 1876. Appendix, No. 5 A.

EXPORT of SILVER from *Southampton* to *India*, *China*, and the *Straits*.

YEAR.	INDIA.	CHINA.	STRAITS.	TOTAL.
	£.	£.	£.	£.
1865 - - - - -	2,738,762	560,026	299,270	3,598,058
1866 - - - - -	2,009,580	303,196	52,850	2,365,626
1867 - - - - -	370,231	265,766	6,915	642,912
1868 - - - - -	1,000,635	474,945	160,062	1,635,642
1869 - - - - -	1,349,680	780,144	233,119	2,362,943
1870 - - - - -	187,600	887,212	504,661	1,579,473
1871 - - - - -	1,651,290	1,383,465	677,718	3,712,473
1872 - - - - -	2,846,327	1,523,819	1,284,305	5,654,451
1873 - - - - -	420,290	768,416	1,308,870	2,497,576
1874 - - - - -	3,949,020	1,658,855	1,484,851	7,092,726
1875 - - - - -	2,120,390	723,894	870,120	3,714,404
1876, to date - - -	837,030	27,235	140,150	1,004,415
TOTAL - - - £.	19,480,835	9,356,973	7,022,891	35,860,699

Pixley & Abell, Sworn Brokers.

16 March 1876.

Appendix, No. 5 B. - - - - - - - - -

TABLE shewing the Monthly Fluctuations in LONDON in the PRICE of

YEARS.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	
	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	
1833	58⅞	58¾	58¾	58⅞	58⅞	58⅞	59⅛—59½	59⅜	59½	59¾	1
1834	59⅞	59⅞	60	59¾	59¾	59¾	60⅛—60¼	60¼	60⅜	59¾	2
1835	59⅞	60	60	59¾	59¾	59⅝—59¾	59¾	59¼	59⅝	59⅝	3
1836	59⅜—59¾	59¾—60	59⅝—60⅛	59⅜—59¾	60	60⅛	60 —60¼	60¼—60⅜	60⅛—60⅜	60⅛—60¼	4
1837	60¼—60⅜	60	60	59½—59⅞	59½—59¾	59¼	59¼—59⅝	59 —59⅝	59¼—59½	59 —59¼	5
1838	59½	59½	59½	59⅜—59½	59⅜	59⅜	59⅜	59⅜	59½	59½	6
1839	60⅜—60⅝	60⅝	60¼—60⅝	60 —60¼	60¼—60⅜	60⅜	60⅜—60½	60⅜	60¼	60½	7
1840	60¼—60½	60¼	60¼—60⅜	60¼—60½	60⅜—60¼	60¼	60⅛—60¼	60¼—60⅜	60½—60⅝	60½—60¼	8
1841	60⅜	60⅜	60	60	60¼	60⅛—60¼	59⅞—60	60⅛	60⅛	59¾—59⅞	9
1842	59⅝	59⅜—59½	59⅜	59¼—59⅜	59⅜—59½	59¾—60	59⅝	59⅝—59¾	59⅜—59⅝	59⅛—59¼	10
1843	59⅛—59⅝	59 —59¼	59 —59⅛	59⅛	59⅛	59⅛—59¼	59¼	59¼	59¼	59¼	11
1844	59¼—59⅜	59⅜	59¼	59⅜	59½	59⅝	59⅝—59¾	59¾	59¾	59⅝	12
1845	59¼	59⅛—59¼	58⅞—59⅛	58⅞	58⅞—59¼	59 —59¼	59⅛—59¼	59⅜—59⅝	59⅜	59½—59⅞	13
1846	59¼	59¼	59¼	59	59	59	59⅛	59⅛	59⅛	59¾—59⅜	14
1847	60⅛—60⅜	60⅜	60⅜	58⅞—60⅜	58⅞—59¾	59 —59⅞	59⅞—60	59¾—60	59⅝—59¾	59¼—59½	15
1848	59¾—59¼	59¼—59⅜	59⅛—59¼	58½—59½	59½—60	59⅜—59⅝	59½—59⅞	59⅝—59⅞	59⅞	59½—59⅞	16
1849	59⅝—59¾	59¾	60 —60⅛	59⅞—60	59⅞	59½—59⅞	59⅝—59¾	59¾—59⅞	59½—59¾	59⅜—59½	17
1850	59⅝—59¾	59½—59⅝	59⅜—59¾	59⅝	59⅝	59⅝	59⅝—59⅞	59⅞	60 —60⅛	60⅛—60⅜	18
1851	61⅝	61½—61⅝	61¼	61½	61⅛—61½	60⅞—61⅛	60¾—61	60¾—61	60½—60¾	60 —60⅝	19
1852	60½—60¾	60½	60⅜	59⅞—60	59⅞	59⅞—60¼	60⅜	60⅜	60⅜	60¾—61⅛	20
1853	61⅜	61⅜	61⅜	61⅜	60⅝—61⅜	60⅝—61⅛	61⅛—61½	61⅛—61⅞	61⅞—62⅛	61⅞—62⅛	21
1854	61½—61¾	61⅝	61⅞	61⅝—61⅞	60⅞—61¾	61¼—61½	61¼	61¼	61 —61½	61⅛—61⅜	22
1855	61½—61⅝	61½—61⅝	60⅞	60⅝	61¼—61⅜	61½	61½—61⅝	61¾	61½	61½	23
1856	60⅞—61¼	61⅛—61⅜	60½—61	60½—61	61 —61⅛	60¾—61¼	60⅞	61⅛—61⅝	61⅝—62¼	62	24
1857	62¼	61½—61⅞	61⅜—61¾	61⅜—61¾	61 —61½	61⅞	61½—61⅞	61¾—62	61½	61⅞	25
1858	61½	61⅜—61⅞	61⅜	61¼—61⅝	61¼—61⅞	61⅜—61½	61½—61⅜	60¾—61	60¾	61⅛—61½	26
1859	61¾—62	61¾	61¾—62⅜	61⅞—62⅜	62¼—62⅜	62 —62¼	62 —62¾	61¾—62	61¾—62	61⅞—62	27
1860	62 —62⅜	62 —62⅛	61¾—62⅛	61¾	61⅜	61⅝—61¾	61½	61⅜—61⅝	61⅝	61⅜—61¾	28
1861	61¼—61⅜	61⅛—61¼	60⅝—61	60⅞—61¾	60¾—60⅞	60⅜—60⅝	60⅛—60¼	60¼—60½	60¼—60⅞	60⅜—60¾	29
1862	61 —61⅜	61½—61¾	61¼—61⅜	61⅛—61¼	61¼—61⅝	61 —61⅝	61 —61⅛	61¼—61⅜	61¼—61⅜	61¼—61⅞	30
1863	61⅝—61¾	61½—61⅝	61⅜—61½	61 —61⅜	61¼—61⅝	61 —61⅝	61 —61¼	61 —61⅛	61⅛—61⅜	61¼—61⅜	31
1864	61⅞—62½	61¼—61⅞	61½—61¾	61¼—61⅞	60⅞—61⅛	61⅛—61⅜	61⅛—61 5/16	61 —61½	61⅜—61⅝	60⅝—61¼	32
1865	61½—61⅝	61⅜—61½	61 —61⅜	60⅝	60 9/16—60¾	60½—60¾	60½—60¾	60¾—60⅞	60⅝—61	61⅛—61¼	33
1866	61⅜—61¾	60⅞—61½	60⅞—61	61 —61½	61 —62	61⅝—62¼	60⅝—61¾	60⅜—60⅝	60¾—61	60⅞—61	34
1867	60⅞	60¾	60⅝—60¾	60¾—61¼	60⅜—60¾	60⅜—60½	60½	60⅜—60½	60 5/16—60⅝	60⅜—60½	35
1868	60⅜—60⅞	60⅜—60½	60½—61⅛	60½—60⅝	60⅜—60⅝	60⅜	60⅜—60 7/16	60⅛—60⅜	60⅛—60½	60¼—60½	36
1869	60⅝—60⅞	60¾—61	60½—60¾	60½—60⅝	60 —60⅜	60 —60¼	60¼—60 5/16	60¼—60⅜	60⅜—60½	60⅜—60½	37
1870	60½—60¾	60⅜—60½	60⅜—60⅝	60⅜—60½	60⅜—60½	60⅜—60½	60½—62	60⅜—60⅝	60¼—60⅜	60⅜—60⅝	38
1871	60½—60⅝	60½—60⅝	60⅜—60½	60 3/16—60¼	60 3/16—60¼	60⅜—60 9/16	60½—60⅝	60⅝—60¾	60⅝—60 13/16	60¼—60⅝	39
1872	60⅝—60⅛	60¼—61⅛	60¾—60⅞	60⅛—60⅞	60 1/16—60½	60 —60⅛	60 1/16—60 3/16	60 —60¼	60 5/16—60 7/16	60 —60¼	40
1873	59¾—59 15/16	59¾—59 15/16	59¾—59⅞	59¾	59⅜—59⅞	59 5/16—59½	59 5/16—59⅜	58 13/16—59 3/16	58 13/16—59⅛	58½—59	41
1874	58 —59½	58½—59	58½—59⅜	58 0/16—59¼	58½—58⅞	58½—59	58¼—58½	57⅞—58⅛	57⅞—58	57⅝—57 13/16	42
1875	57½—57⅝	57⅜—57½	57 —57¼	57⅛—57⅜	56½—57	55½—55 7/8	55 11/16—55 7/8	56 —56⅝	56 11/16—56¾	56¾—57⅛	43
1876	54⅞—56⅛	53 —54⅞	52½—54¼	53¼—54	52 —54	50 —52	- - -	- - -	- - -	- - -	44

Appendix, No. 5 B.

Bar Silver per Ounce Standard, from January 1833 to April 1876.

November.	December.	Yearly Average.	Silver Coined in England.	Amount of Bills Drawn in England on Indian Governments.	*Exports of Silver to the East.	Imports of Silver in Bars and Coin.	Average Bank Rate of Discount.	REMARKS.
d.	*d.*	*d.*	£.	Years ended 30 April. £.	£.	£.	From 1784 to May 1839 the rate never exceeded 5% nor was less than 4%.	Continuance of East India Company. Slavery abolished; compensation to owners, 20,000,000 *l.* Renewal of Bank Charter; Bank Notes a legal tender.
59⅞	59⅞	59 3/16	145	†55,510	1,895,023	- -		
59¾	59¾—59⅞	59 11/16	432,775	398,253	2,146,465	- -		Great importation of Gold into New York. Substitution of metallic currency for paper in the United States.
59½	59⅝	59 11/16	146,665	732,803	2,036,167	- -		Extinction of United States National Debt. Bank of United States wound up, owing to refusal of Congress to re-charter it.
60⅛	59⅞—60	60	497,719	2,045,254	2,610,101	- -		Banking and commercial embarrassments in United States. Spanish Civil War.
59¼—59½	59½	59 9/16	75,385	2,042,232	3,010,190	- -		Commencement of panic in London. Discounts refused. Many houses trading with the United States stop payment. Accession of Queen Victoria. Rebellion in Canada.
59⅜—59¾	60 —60⅛	59½	174,042	1,706,184	1,945,264			Resumption of specie payments in United States. Famine in various parts of British India. Affghan War.
60¼—60½	60¼	60⅜	390,654	2,346,592	1,786,253		5½ %	Banks in United States suspend payments in specie. War with China.
60½	60¼—60½	60⅜	207,900	1,439,525	1,841,335		5 „	Misunderstanding with France. Treaty of London for settlement of Eastern Question.
59⅞	59¾	60 1/16	89,641	1,174,450	3,143,292		5 „	Great depression in every branch of manufacturing industry.
59¼—59⅜	59⅛—59¼	59 7/16	192,852	2,589,283	4,794,678		4 „	Peace with China. Income Tax Act passed.
59¼	59¼	59 5/16	239,580	1,197,438	3,752,472		4 „	Treaty of Commerce opens China to all nations.
59⅝	59½	59½	610,632	2,801,731	2,495,959		4 „	Bank Charter Act passed. Consols 101¼. Prior to September this year, the Bank never reduced the rate below 4%.
59⅜—59⅞	59⅛—59¼	59¼	647,658	2,516,951	2,939,922		3 „	Railway Mania. Sikh War.
60⅛	60⅛	59 5/16	559,548	3,065,709	1,973,391		3½ „	Commercial and Railway Panic. Repeal of Corn Laws.
59⅛	59⅛	59 11/16	125,730	3,097,042	4,204,503		5 „	Year of Panic. 10,000,000 *l.* granted for relief of Famine in Ireland. Gold discovered in California.
59½—59⅝	59¼	59½	35,442	1,541,804	3,396,807		3¾ „	Sikh War.
59½	59½—59⅝	59¾	119,592	1,889,195	3,811,809		3 „	First importation of Californian gold into England. Annexation of the Punjaub.
60⅜—61¼	61½	60 1/16	129,096	2,935,118	5,052,059	- -	2½ „	Average of Consols 96½.
60⅜	60¾	61	87,868	3,236,458	1,715,100	- -	3 „	Discovery of Gold in Australia.
61⅛—61⅞	61¼—61⅜	60½	189,596	2,777,523	2,447,450	- -	2 „	Consols touched 102, and averaged 99⅝.
61⅞—62⅜	61⅝—61⅞	61½	701,544	3,317,122	3,117,980	- -	3½ „	Australian Mint established.
61⅜—61½	61⅝	61½	140,580	3,850,565	3,095,490	- -	5 „	Russian War began.
60 —61⅜	61⅜	61 5/16	195,510	3,669,678	6,431,733	- -	4¾ „	Loan of 16,000,000 *l.* Fall of Sebastopol.
62¼	61½—61¾	61 5/16	462,528	*1,484,040	12,113,991	- -	5¾ „	Russian War ends.
61⅛—61⅞	62 —62⅜	61¾	373,230	2,819,711	16,731,915	- -	6¾ „	Panic. Suspension of Bank Act. Indian Mutiny. Loan of 1,000,000 *l.* to East India Company.
61¼—61½	61¼—61¾	61 5/16	445,896	628,499	4,753,933	6,700,000	3¼ „	End of Indian Mutiny.
62	62	62 1/16	647,064	25,901	14,828,521	14,772,460	2¾ „	Loan of 5,216,528 *l.* to East India Company.
61¼—61⅝	61¼—61⅜	61 11/16	218,403	4,694	8,478,739	10,394,000	4¼ „	Commercial Treaty with France.
60⅞—61⅛	61 —61¼	60 13/16	209,484	797	6,824,807	6,590,000	5¼ „	Financial depression in India. American Civil War begins.
61⅞—62⅛	61⅝—61¾	61 7/16	148,518	1,193,729	10,091,460	11,753,000	2½ „	Great distress in cotton manufacturing districts. Panic.
61⅜—61½	61⅝—61¾	61⅜	161,172	6,641,576	8,263,011	10,888,130	4½ „	Large exports of Gold to the Continent to pay for Silver.
60⅞ -61⅜	61⅝	61⅜	535,194	8,979,521	6,254,004	10,827,300	7½ „	13,000,000 *l.* Silver exported from France.
61¼—61¾	61 9/16—61⅞	61 1/16	501,732	6,789,473	3,598,058	6,980,000	4½ „	Close of American War.
60⅞—61	60¾—60⅞	61⅛	493,416	6,998,899	2,365,626	10,778,000	7 „	Commercial and Joint Stock Companies panic. Bank declined to sell bar Gold.
				Years ended 31 March.				
60⅜—60½	60⅜—60½	60 9/16	193,842	5,613,746	642,912	8,020,000	2½ „	Great decline in export of Silver, only 2,500,000 *l.* sent from France.
60⅜—60½	60⅜—60⅞	60½	301,356	4,137,285	1,635,642	7,716,420	2¾ „	Abyssinian Expedition.
60⅜—60½	60⅜—60⅝	60 7/16	76,428	3,705,741	2,362,943	6,730,000	3¼ „	Distress in Lancashire.
60½—60⅝	60½—60⅝	60 9/16	336,798	6,980,122	1,579,473	10,649,000	3 „	Franco-Prussian War. Panics.
60⅝—61	60½—60⅞	60½	701,514	8,443,509	3,712,473	16,520,000	3½ „	8,500,000 *l.* Gold exported to Hanse Towns. Peace between France and Germany.
59¼—59¾	59⅝—59¾	60 5/16	1,243,836	10,310,339	5,654,451	11,140,500	4½ „	8,050,000 *l.* Gold exported to Hanse Towns. Commencement of decline in price of Silver.
57⅞—58⅛	58 —58 1/16	59¼	1,081,674	13,939,095	2,497,576	12,302,220	5⅜ „	10,000,000 *l.* Gold exported to Hanse Towns. German Government announce the demonetisation of Silver.
57¼—58¼	57½—57¾	58 5/16	890,604	13,285,678	7,092,726	11,797,990	3¾ „	Enormous increase of bullion in Bank of France, 22,000,000 *l.*, mostly Gold.
56⅜—56 15/16	56⅛—56⅝	56⅞	594,001	10,841,615	3,714,404	9,506,757	3½ „	Heavy commercial failures. Large export of Gold to Germany. Continued decline in price of Silver.
- -	- -	-	- -	12,389,613	—	—	-	

The totals from 1833 to 1850 include exports from other countries as well as England; from 1851 to the present time the exports from England only are ided.

Including Bills on China, for this ear only. (The East India Company had the monopoly of the trade with China up to 1833.)

Pixley & Abell,
Bullion Brokers, 27, Old Broad-street, London, E.C.

Appendix, No. 5 c.

STATEMENT showing the IMPORTS and EXPORTS of BULLION for the Six Months ending 30th June 1875, and the corresponding Period for 1874.

STATEMENT of IMPORT of BULLION into *London* from undermentioned Places, during Six Months ending 30th June 1875.				IMPORTS during Corresponding Period 1874.		
1875.	GOLD.	SILVER.	TOTAL.	GOLD.	SILVER.	TOTAL.
	£.	£.	£.	£.	£.	£.
Belgium	106,332	32,000	138,332	124,900	232,250	357,150
France	1,011,406	641,000	1,652,406	218,400	579,410	797,810
Hanse Towns	307,600	559,980	867,580	34,020	1,416,500	1,450,520
Holland	5,370	7,000	12,370	3,180	68,450	71,630
Copenhagen	- -	196,700	196,700	- -	324,400	324,400
Russia	- -	- -	- -	17,000	- -	17,000
Spain and Portugal	—	—	—	—	—	—
Gibraltar	42,000	14,237	56,237	—	—	—
Malta	- -	4,700	4,700	—	—	—
Constantinople	—	—	—	—	—	—
Alexandria	- -	- -	- -	539,600	- -	539,600
Aden	—	—	—	—	—	—
Ceylon	—	—	—	—	—	—
Bombay	43,300	10,000	53,300	75,000	- -	75,000
Madras	—	—	—	—	—	—
Calcutta	—	—	—	—	—	—
Singapore	—	—	—	—	—	—
Penang	—	—	—	—	—	—
Manilla	—	—	—	—	—	—
Hong Kong	—	—	—	—	—	—
Shanghae	86,500	41,258	127,758	195,000	164,700	359,700
Foo-Chow-Foo	—	—	—	—	—	—
Yokohama	1,251,170	95,080	1,346,250	951,000	- -	951,000
Cape of Good Hope / Cape Verd and Sierra Leone	96,650	7,100	103,750	90,150	500	90,650
United States	6,197,000	1,293,250	7,490,250	1,956,500	2,004,800	3,961,300
Mexico, Central America, West Indies, &c.	546,000	1,993,970	2,539,970	1,387,630	2,075,280	3,462,910
Brazils	130,178	41,900	172,078	1,262,140	232,940	1,495,080
British North America	- -	2,100	2,100	—	—	—
Australia	3,078,210	17,549	3,095,759	3,004,990	- -	3,004,990
New Zealand *	56,000	- -	56,000	33,250	- -	33,250
TOTAL £.	12,957,716	4,957,824	17,915,540	9,892,760	7,099,230	16,991,990

STATEMENT of EXPORT of BULLION from *London* to undermentioned Places, during Six Months ending 30th June 1875.				EXPORTS during Corresponding Period 1874.		
1875.	GOLD.	SILVER.	TOTAL.	GOLD.	SILVER.	TOTAL.
	£.	£.	£.	£.	£.	£.
Belgium	400,690	55,270	455,960	351,000	103,000	454,000
France	3,267,826	1,131,570	4,399,396	3,902,500	464,500	4,367,000
Hanse Towns	1,623,100	96,630	1,719,730	80,000	62,000	142,000
Holland	10,400	56,300	66,700	447,800	78,600	526,400
Copenhagen	- -	- -	- -	- -	489,000	489,000
Russia	—	—	—	—	—	—
Spain and Portugal	781,800	401,980	1,183,780	33,600	944,000	977,600
Gibraltar	- -	10,000	10,000	—	—	—
Malta	96,300	4,800	101,100	120,000	- -	120,000
Constantinople	—	—	—	—	—	—
Alexandria	100	- -	100	220,140	- -	220,140
Aden	4,000	- -	4,000	23,200	- -	23,200
Mauritius	—	—	—	—	—	—
Ceylon	7,220	- -	7,220	7,600	51,915	59,515
Bombay	43,250	1,017,550	1,060,800	210,000	2,222,570	2,432,570
Madras	2,720	- -	2,720	20,750	- -	20,750
Calcutta	- -	332,750	332,750	15,100	687,900	703,000
Singapore	10,000	336,510	346,510	4,710	604,512	609,222
Penang	- -	74,880	74,880	- -	114,433	114,433
Manilla	—	—	—	—	—	—
Hong Kong	- -	201,130	201,130	- -	470,336	470,336
Shanghae	- -	383,120	383,120	- -	541,136	541,136
Foo-Chow-Foo	—	—	—	—	—	—
Yokohama	- -	8,090	8,090	—	—	—
Cape of Good Hope / Cape Verd and Sierra Leone	1,150	15,000	16,150	34,300	38,800	73,100
United States	243,850	87,400	331,250	3,300	1,300	4,600
Mexico, Central America, West Indies, &c.	715,320	40,300	755,620	1,800,400	110,140	1,910,540
Brazils	438,730	- -	438,730	1,383,500	62,000	1,445,500
British North America	10,000	- -	10,000	6,000	6,800	12,800
Australia	5,000	300	5,300	- -	75,250	75,250
New Zealand	- -	- -	- -	- -	5,450	5,450
TOTAL £.	7,661,456	4,253,580	11,915,036	8,663,900	7,133,642	15,797,542

* The produce of the New Zealand Gold Fields is very much larger than the amount stated above, but the greater part is at present sent to Australia for shipment elsewhere. The sum stated by us is the total received in England direct from New Zealand.

Pixley & Abell, Bullion Brokers,
27, Old Broad-street, E.C.

STATEMENT showing the IMPORTS and EXPORTS of BULLION for the Six Months ending 31st December 1875, and the Corresponding Period for 1874.

STATEMENT of IMPORT of BULLION into *London* from undermentioned Places, during Six Months ending 31st December 1875.				IMPORTS during Corresponding Period 1874.		
1875.	GOLD.	SILVER.	TOTAL.	GOLD.	SILVER.	TOTAL.
	£.	£.	£.	£.	£.	£.
Belgium	150,200	3,060	153,260	18,000	- -	18,000
France	743,870	685,283	1,429,153	445,160	491,050	936,210
Hanse Towns	20,880	600,230	621,110	29,500	950,700	980,200	
Holland	—	—	—	—	—	—
Copenhagen	37,100	138,000	175,100	100,000	- -	100,000
Russia	- -	- -	- -	30,000	- -	30,000
Spain and Portugal	2,400	2,000	4,400	—	—	—
Gibraltar	12,000	2,000	14,000	12,200	8,020	20,220
Malta	64,800	2,000	66,800	—	—	—
Constantinople	—	—	—	—	—	—
Alexandria	513,400	- -	513,400	13,140	- -	13,140
Aden	—	—	—	—	—	—
Ceylon	—	—	—	—	—	—
Bombay	40,000	2,400	42,400	139,400	- -	139,400
Madras	—	—	—	—	—	—
Calcutta	—	—	—	—	—	—
Singapore	- -	40,000	40,000	—	—	—
Penang	—	—	—	—	—	—
Manilla	—	—	—	—	—	—
Hong Kong	—	—	—	—	—	—
Shanghae	197,600	56,000	253,600	468,400	105,900	574,300
Foo-Chow-Foo	—	—	—	—	—	—
Yokohama	781,400	20,240	801,640	1,393,000	- -	1,393,000
Cape of Good Hope / Cape Verd and Sierra Leone	94,890	800	95,690	303,930	15,020	318,950
United States	1,951,825	1,791,850	3,743,675	2,346,100	1,454,400	3,800,500
Mexico, Central America, West Indies, &c.	799,900	1,178,920	1,978,820	829,970	1,470,224	2,300,194
Brazils	126,200	14,000	140,200	528,800	203,450	732,250
British North America	4,000	- -	4,000	—	—	—
Australia	3,702,300	12,150	3,714,450	3,778,000	- -	3,778,000
New Zealand *	163,000	- -	163,000	169,450	- -	169,450
TOTAL £.	9,405,765	4,548,933	13,954,698	10,605,050	4,698,764	15,303,814
Amount Imported during the Six Months ending 30th June 1875	12,957,716	4,957,824	17,915,540	9,892,760	7,099,230	16,991,990
TOTAL IMPORTS, 1875 £.	22,363,481	9,506,757	31,870,238	20,497,810	11,797,994	32,295,804
TOTAL IMPORTS, 1874 £.	20,497,810	11,797,994	32,295,804			

STATEMENT of EXPORT of BULLION from *London* to undermentioned Places, during Six Months ending 31st December 1875.				EXPORTS during Corresponding Period 1874.		
1875.	GOLD.	SILVER.	TOTAL.	GOLD.	SILVER.	TOTAL.
	£.	£.	£.	£.	£.	£.
Belgium	795,604	69,380	864,984	192,000	502,070	694,070
France	1,658,540	1,413,070	3,071,610	3,534,200	667,290	4,201,490
Hanse Towns	4,925,860	2,215	4,928,075	- -	104,760	104,760
Holland	1,003,900	125,460	1,129,360	15,000	121,950	136,950
Copenhagen	276,000	- -	276,000	50,000	- -	50,000
Russia	- -	- -	- -	- -	745,500	745,500
Spain and Portugal	369,400	1,263,270	1,632,670	301,600	940,450	1,242,050
Gibraltar	26,500	- -	26,500	850	- -	850
Malta	24,266	2,680	26,946	90,000	- -	90,000
Constantinople	—	10,800	10,800	—	—	—
Alexandria	65,000	- -	65,000	358,700	- -	358,700
Aden	12,700	- -	12,700	14,300	- -	14,300
Mauritius	—	—	—	—	—	—
Ceylon	6,564	74,300	80,864	35,190	300,000	335,190
Bombay	625	723,450	724,075	20,000	563,930	583,930
Madras	390	- -	390	12,928	- -	12,928
Calcutta	- -	110,250	110,250	20,000	471,050	491,050
Singapore	- -	282,630	282,630	5,000	352,670	357,670
Penang	2,000	116,185	118,185	- -	87,550	87,550
Manilla	—	—	—	—	—	—
Hong Kong	- -	150,522	150,522	- -	230,340	230,340
Shanghae	- -	23,480	23,480	- -	98,086	98,086
Foo-Chow-Foo	—	—	—	—	—	—
Yokohama	72,000	1,280	73,280	—	—	—
Cape of Good Hope / Cape Verd and Sierra Leone	- -	15,500	15,500	12,000	10,000	22,000
United States	366,300	3,000	369,300	- -	22,100	22,100
Mexico, Central America, West Indies, &c.	201,100	1,370	202,470	56,800	4,000	60,800
Brazils	536,000	- -	536,000	275,400	- -	275,400
British North America	70,400	- -	70,400	10,000	- -	10,000
Australia	5,000	2,700	7,700	- -	28,050	28,050
New Zealand	- -	5,000	5,000	- -	2,000	2,000
TOTAL £.	10,418,149	4,396,542	14,814,691	5,003,968	5,251,796	10,255,764
Amount Exported during the Six Months ending 30th June 1875	7,661,456	4,253,580	11,915,036	8,663,900	7,133,642	15,797,542
TOTAL EXPORTS, 1875 £.	18,729,605	8,650,122	26,729,727	13,667,868	12,385,438	26,053,306
TOTAL EXPORTS, 1874 £.	13,667,868	12,385,438	26,053,306			

* The produce of the New Zealand Gold Fields is very much larger than the amount stated above, but the greater part is at present sent to Australia for shipment elsewhere. The sum stated by us is the total received in England direct from New Zealand.

Pixley & Abell, Bullion Brokers,
27, Old Broad-street, E.C.

Appendix, No. 6 A.

PAPER put in by Sir *Hector Hay*, and referred to in his Evidence of 23rd March 1876.

App. No. 6A. STATEMENT shewing the Estimated Production of GOLD and SILVER; also the Shipments of SILVER to *India* and *China* from *England* and the *Mediterranean*, and the Average Price, from the Year 1852 to 1875.

Years.	PRODUCTION.			SHIPMENTS OF SILVER TO INDIA AND CHINA.			Average Price per oz. Standard.
	Gold.	Silver.	TOTAL.	From England.	From Mediterranean.	TOTAL.	
	£.	£.	£.	£.	£.	£.	d.
1852 - -	36,550,000	8,120,000	44,670,000	2,630,000	- -	2,630,000	60 1/16
1853 - -	31,090,000	8,120,000	39,210,000	4,710,000	- -	4,710,000	61 9/16
1854 - -	25,490,000	8,120,000	33,610,000	3,130,000	1,450,000	4,580,000	61 1/2
1855 - -	27,015,000	8,120,000	35,135,000	6,410,000	1,520,000	7,980,000	61 1/4
1856 - -	29,520,000	8,130,000	37,650,000	12,120,000	2,000,000	14,120,000	61 7/16
1857 - -	26,655,000	8,130,000	34,785,000	16,800,000	3,350,000	20,150,000	61 3/4
1858 - -	24,930,000	8,130,000	33,060,000	4,780,000	910,000	5,690,000	61 7/16
1859 - -	24,970,000	8,150,000	33,120,000	14,830,000	1,520,000	16,350,000	62 1/16
1860 - -	23,850,000	8,160,000	32,010,000	8,040,000	2,760,000	10,800,000	61 1/16
1861 - -	22,760,000	8,540,000	31,300,000	6,840,000	2,020,000	8,860,000	60 3/4
1862 - -	21,550,000	9,040,000	30,590,000	10,140,000	4,460,000	14,600,000	61 3/8
1863 - -	21,390,000	9,840,000	31,230,000	8,210,000	6,920,000	15,130,000	61 1/2
1864 - -	22,600,000	10,340,000	32,940,000	6,175,000	10,680,000	16,855,000	61 3/8
1865 - -	24,040,000	10,390,000	34,430,000	3,620,000	6,120,000	9,740,000	61
1866 - -	24,220,000	10,145,000	34,365,000	2,370,000	4,700,000	7,070,000	61 1/8
1867 - -	22,805,000	10,845,000	33,650,000	640,000	1,410,000	2,050,000	60 9/16
1868 - -	21,945,000	10,045,000	31,990,000	1,650,000	1,910,000	3,560,000	60 1/2
1869 - -	21,245,000	9,500,000	30,745,000	2,340,000	4,220,000	6,560,000	60 1/2
1870 - -	21,370,000	10,315,000	31,685,000	1,920,000	300,000	2,220,000	60 1/8
1871 - -	21,400,000	12,210,000	33,610,000	3,650,000	250,000	3,900,000	60 9/16
1872 - -	19,910,000	13,050,000	32,960,000	6,280,000	250,000	6,530,000	60 1/4
1873 - -	19,240,000	14,050,000	33,290,000	3,360,000	110,000	3,470,000	59 1/4
1874 - -	18,150,000	14,300,000	32,450,000	6,840,000	930,000	7,770,000	58 5/16
1875 - -	19,500,000	16,100,000	35,600,000	4,000,000	540,000	4,540,000	56 3/4
Totals 1852 to 1875 - -	572,195,000	241,890,000	814,085,000	141,485,000	58,330,000	199,815,000	60 3/4

23 March 1876. *H. M. Hay.*

Appendix, No. 6 B.

PAPER put in by Sir *Hector Hay*.

Estimated Production of Gold and Silver throughout the World—Years 1852 to 1875.

Years.	Australia.	United States.		Mexico and South America.		Russia.		Other Countries, Say		Totals.		Grand Total.
	Gold.	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold and Silver.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1852	20,600,000	12,000,000	- -	1,000,000	6,000,000	2,450,000	120,000	500,000	2,000,000	36,550,000	8,120,000	44,670,000
1853	14,140,000	13,000,000	- -	1,000,000	6,000,000	2,450,000	120,000	500,000	2,000,000	31,090,000	8,120,000	39,210,000
1854	9,540,000	12,000,000	- -	1,000,000	6,000,000	2,450,000	120,000	500,000	2,000,000	25,490,000	8,120,000	33,610,000
1855	12,065,000	11,000,000	- -	1,000,000	6,000,000	2,450,000	120,000	500,000	2,000,000	27,015,000	8,120,000	35,135,000
1856	14,270,000	11,000,000	- -	1,000,000	6,000,000	2,750,000	130,000	500,000	2,000,000	29,520,000	8,130,000	37,650,000
1857	11,405,000	11,000,000	- -	1,000,000	6,000,000	2,750,000	130,000	500,000	2,000,000	26,655,000	8,130,000	34,785,000
1858	10,680,000	10,000,000	- -	1,000,000	6,000,000	2,750,000	130,000	500,000	2,000,000	24,930,000	8,130,000	33,060,000
1859	10,820,000	10,000,000	20,000	900,000	6,000,000	2,750,000	130,000	500,000	2,000,000	24,970,000	8,150,000	33,120,000
1860	10,500,000	9,200,000	30,000	900,000	6,000,000	2,750,000	130,000	500,000	2,000,000	23,850,000	8,160,000	32,010,000
1861	9,760,000	8,600,000	400,000	900,000	6,000,000	3,000,000	140,000	500,000	2,000,000	22,760,000	8,540,000	31,300,000
1862	9,350,000	7,800,000	900,000	900,000	6,000,000	3,000,000	140,000	500,000	2,000,000	21,550,000	9,040,000	30,590,000
1863	8,880,000	8,000,000	1,700,000	900,000	6,000,000	3,110,000	140,000	500,000	2,000,000	21,390,000	9,840,000	31,230,000
1864	9,130,000	9,220,000	2,200,000	800,000	6,000,000	2,950,000	140,000	500,000	2,000,000	22,600,000	10,340,000	32,940,000
1865	8,820,000	10,645,000	2,250,000	800,000	6,000,000	3,275,000	140,000	500,000	2,000,000	24,040,000	10,390,000	34,430,000
1866	8,840,000	10,700,000	2,000,000	800,000	6,000,000	3,380,000	145,000	500,000	2,000,000	24,220,000	10,145,000	34,365,000
1867	7,910,000	10,345,000	2,700,000	700,000	6,000,000	3,350,000	145,000	500,000	2,000,000	22,805,000	10,845,000	33,650,000
1868	7,645,000	9,600,000	2,400,000	600,000	5,500,000	3,600,000	145,000	500,000	2,000,000	21,945,000	10,045,000	31,990,000
1869	6,320,000	9,900,000	2,400,000	500,000	5,000,000	4,025,000	100,000	500,000	2,000,000	21,245,000	9,500,000	30,745,000
1870	5,830,000	10,000,000	3,200,000	500,000	5,000,000	4,540,000	115,000	500,000	2,000,000	21,370,000	10,315,000	31,685,000
1871	6,650,000	8,700,000	4,600,000	750,000	5,500,000	4,800,000	110,000	500,000	2,000,000	21,400,000	12,210,000	33,610,000
1872	6,810,000	7,200,000	5,750,000	750,000	5,200,000	4,650,000	100,000	500,000	2,000,000	19,910,000	13,050,000	32,960,000
1873	6,290,000	7,200,000	7,150,000	750,000	4,800,000	4,500,000	100,000	500,000	2,000,000	19,240,000	14,050,000	33,290,000
1874	6,000,000	6,400,000	7,200,000	750,000	5,000,000	4,500,000	100,000	500,000	2,000,000	18,150,030	14,300,000	32,450,000
1875	5,750,000	8,000,000	9,000,000	750,000	5,000,000	4,500,000	100,000	500,000	2,000,000	19,500,000	16,100,000	35,600,000
£.	228,005,000	231,510,000	53,900,000	19,950,000	137,000,000	80,730,000	2,990,000	12,000,000	48,000,000	572,195,000	241,890,000	814,085,000

23 March 1876.

H. M. Hay

Appendix, No. 7.

Appendix, No. 7.

PAPERS put in by Mr. *G. Pietsch.*

(A.)

STATISTICS of Old German Silver Coins coined by the separate States of *Germany* up to the end of 1873, less such amounts as have been withdrawn from circulation up to the same period at which such coinages finally ceased, in order to make room for the new Imperial coinage.

As per official statements presented to the Reichstag (German Parliament) on 18th March 1873 and 4th April 1874. These statements, made out in thalers, are calculated here for simplicity's sake in round numbers, at exchange of 6⅔ thalers per £.

	£.
Thalers - - - - - - - -	74,400,000
Florins - - - - - - - -	10,200,000
Hanse Towns Currency - - - - - -	1,200,000
	85,800,000
Small coin of low metallic value - - -	4,100,000
	89,900,000
Say - - - £.	90,000,000

(B.)

AMOUNT of Old German Silver Coins retired from circulation up to the end of February 1876, as per official statements published in the German newspapers of the period, and calculated here in round numbers at exchange of 20 marks per £.

Reichsmarks 396,217,079 = £. 19,800,000.

New German Silver Coins coined up to the 18th March 1876, as per above statements, and calculated in similar manner.

Reichsmarks 195,845,377 = £. 9,800,000.

	£.
Total amount of New German Silver Coins to be coined at the rate of 10 *s.* per head for a population of 42 millions - - - - - - - -	21,000,000
Of which coined up to the present, as above - -	9,800,000
Remains to be coined - - - £.	11,200,000

(C.)

AMOUNT of Old German Silver Coins converted into Bars, and sold, as per Official Statement presented to the "Reichstag," under date of 30th November 1875.

THE Old Coins retired up to the end of September 1875, and consisting mostly of old thalers, florins, and small coin, produced 1,194,944 lbs. of fine bars, which have been almost entirely realised as follows :—

Lbs.	*Marks.*
696,194, of which account sales had been received, amounting to - - - - - - - (or about 87 marks per lb. loss of interest not deducted).	60,621,090
498,750, which had not yet been accounted for, but which were expected to give a much less favourable result, say, perhaps, 80 marks per lb. or - - - - - - -	39,900,000
Total sales up to end of September 1875 *Marks*	100,521,090
Say - - - £.	5,000,000
Sales from end of September 1875, to March 1876, no returns published as yet, but presumably - - - - - -	1 or 2,000,000
Say - - - £.	6 or 7,000,000

(D.)

STATEMENT of SILVER Imported into *London* from *Germany*, and Exported from *London* to *Germany*, during 14½ Years from 1st January 1861 to 30th June 1875.

Numbers of Lists.	During 6 Months, ending as under.	Imports into London from Hanse Towns.	Exports from London to Hanse Towns.	Numbers of Lists.	During 6 Months, ending as under.	Imports into London from Hanse Towns.	Exports from London to Hanse Towns.
		£.	£.			£.	£.
1	30 June 1861	66,212	212,156	17	30 June 1869	483,350	—
2	31 Dec. „	9,675	108,342	18	31 Dec. „	- -	409,540
3	30 June 1862	786,962	99,110	19	30 June 1870	- -	23,780
4	31 Dec. „	437,702	329,855	20	31 Dec. „	- -	673,500
5	30 June 1863	549,120	316,070	21	30 June 1871	9,500	1,823,470
6	31 Dec. „	94,450	151,800	22	31 Dec. „	1,205,300	1,574,350
7	30 June 1864	209,608	55,358	23	30 June 1872	1,288,500	186,728
8	31 Dec. „	445,652	105,444	24	31 Dec. „	8,500	1,092,500
9	30 June 1865	4,970	280,000	25	30 June 1873	104,800	242,340
10	31 Dec. „	164,250	250,279	26	31 Dec. „	363,700	55,200
11	30 June 1866	817,732	186,683	27	30 June 1874	1,416,500	62,000
12	31 Dec. „	3,900	1,304,143	28	31 Dec. „	950,700	104,760
13	30 June 1867	103,909	611,329	29	30 June 1875	559,980	96,630
14	31 Dec. „	- -	491,651				
15	30 June 1868	87,780	674,040				
16	31 Dec. „	193,280	252,666		TOTAL - - £.	10,366,032	11,773,724

N.B.—There is no evidence to shew how much of the 11,773,724 *l.* Silver imported into Germany during the above period has been converted into German coin, as the quantity so created is naturally included in the total sum of the old German Silver coin, amounting, as per Statement (A.), to 89,900,000 *l.*, which sum therefore remains unaffected.

As regards the 10,366,032 *l.* Silver exported from Germany, a great proportion of the same must have, as a matter of course, consisted of coin which had been melted down and converted into bars, and the old Silver currency of the country, amounting, as stated in Table A, to 89,900,000 *l.*, has consequently been diminished *pro tanto*.

Appendix, No. 7*.

PAPER put in by Mr. *Pietsch*.

Supplemental Memorandum.

Appendix, No. 7*.

In my former evidence on the German Silver Question, I had given the following figures:—

	£.	
Original amount of old coinage	89,900,000	
Diminution by export, melting down, war, emigration, &c.	50,600,000	
Rest £.	39,300,000	
Containing, *less alloy*	33,500,000	Fine Silver.
Less required for new coinage 21,000,000 *l*, containing	18,900,000	„
Surplus Fine Silver £.	14,600,000	

To this calculation exception has been taken on the ground that 30 thalers having been coined out of one pound weight of fine Silver, no deduction ought to have been made for alloy. Supposing this to be the case, which I have not had the time to examine, the figures would stand as follows:—

	£.	
Surplus, as before mentioned	39,300,000	fine.
Required for new coinage	21,000,000	„
£.	18,300,000	
Equal to, at 37/40 standard fine	19,800,000	standard.
Sales effected, 6 to 7 millions, say	6,800,000	„
Balance to be sold £.	13,000,000	

London, 8 May 1876. *G. Pietsch.*

Appendix, No. 8.

PAPER handed in by Mr. *Henry Waterfield.*

EXTRACT from a Report on Statistics of Mines and Mining in the States and Territories west of the Rocky Mountains, for the Year 1874, by *Rossiter W. Raymond*, United States Commissioner of Mining Statistics.

"HISTORY of the Relative Values of Gold and Silver.

* * * "I present several Tables, and remarks upon them, illustrating the History of the relative Value of Gold and Silver."

TABLE I.—Ancient Period.

Date.	Ratio.	Authority.
B. C.		
1600	13·33	Inscriptions at Karnac: tribute lists of Thutmosis (Brandis).
708	13·33	Cuneiform inscriptions on plates found in foundation of Khorsabad.
	13·33	Ancient Persian coins, gold darics at 8·3 grams=20 silver siglos, at 5·5 grams.
440	13·00	Herodotus's account of Indian tributes, 360 gold talents=4,680 Silver.
400	13·33	Standard in Asia, according to Xenophon.
400	12·00	Standard in Greece, according to "Hipparchus," an alleged essay by Plato.
404—336	12·00 13·00 13·33	Values in Greece, from the Peloponnesian War to the time of Alexander, according to hints in Greek writers. There were variations under special contracts. Unit, the silver drachma.
338—326	11·50	Special contracts in Greece.
323—343	12·50	Standard in Egypt under the Ptolemies.
218	17·14	Rate at Rome, fixed for coinage of gold scruples. Violent and temporary.
100	11·91	General rate of gold pound to silver sesterces at Rome to date.
100	8·00	About this time sudden influx of Gold from Aquileia, temporarily reducing the relative value of the metal.
58—49	8·93	Great sums of Gold brought by Cæsar from Gaul.
29	12·00	Normal rate in the last days of the Republic.
A. D.		
1—37	11·97	Rate under Augustus and Tiberius — During the reigns of these Emperors, however, the Silver coinage was debased; hence the value of the precious metals, pure, was as 1 to 11, and less.
37—41	12·17	Rate under Caligula
54—68	11·80	Rate under Nero
69—79	11·54	Rate under Vespasian
81—96	11·30	Rate under Domitian
138—161	11·98	Rate under Antoninus
312	14·40	Rate according to coinage of Constantine and his successors. Temporary (?).

Note.—In all these Tables the figures in the second column show how many times as valuable as a given weight of fine Silver would be an equal weight of fine Gold.

Remarks.—It appears, from a study of this table, that the ancient and long-established relation between Silver and Gold in the Orient was 1 : 13·33. The stability of this relation must be referred, probably, to the limited nature of commerce and its control by the sovereigns. Gold, by reason of its specific gravity and non-liability to oxidation, is found, as Silver is not, in alluvial deposits, and would naturally be first brought into use among barbarous nations. But the production of Silver by rude metallurgical processes (requiring much lower temperature than the metallurgy of iron), would not be a difficult discovery, and we find that, at a very early period, this metal also was in general use. The greater scarcity of Gold and its superior qualities, especially at a time when the chief uses of both metals were for jewelry and ornament, naturally established for it a higher value, and, in the absence of sudden demands or fluctuations in supply, such as active industry and free commerce would produce, the relative value of the two metals might remain, for purposes of trade or tribute, where it was once fixed by arbitrary authority. We see, however, that in Greece, Egypt, and Italy the value referred to did not vary, as a rule, very far from the ancient rule, and this may justify us in supposing that the relation of 1 : 12, or 1 : 13, approximately represented the cost of producing Silver as compared with Gold. The variations from this ratio, noted in the table, are generally due either to the sudden influx of Gold from new quarters, or to the arbitrary action of governments for purposes of profit in coinage. In those days the laws of political economy were not so well understood as now, and, indeed, until a very recent period, tampering with coinage has been a favourite method of replenishing the treasury of the sovereign.

Appendix, No. 8.

TABLE II.—The Middle Ages.

Date.	Ratio.	Authority.
A.D.		
864	12	Probable ratio, as shown by the *Edictum Pistense*, under the Carlovingian dynasty.
1104—1494	9·12	Variable, and apparently arbitrary mint edicts.
1260	10·5	Average ratio in the commercial cities of Italy.
1351	12·3	Ratio in North Germany, as shown by very accurate rules of the Lübeck Mint, corroborated, in the main, by the accounts of the Teutonic Order of Knights, averaged in periods of 40 years.
1375	12·4	
1403	12·8	
1411	12·0	
1451	11·7	
1463	11·6	
1455—1494	10·5	Ratio according to the accounts of the Teutonic Order of Knights.
1469—1508	9·2	
1497	10·7	Ratio established by Isabella, in Spain (Edict of Medina).
1500	10·5	Ratio in Germany, according to Adam Riese's Arithmetic.

Remarks.—The data on which this Table is constructed are not at all of equal authority. Particularly in England, there appears to have been a considerable undervaluation of Gold for purposes of coinage. This would tend to keep the Silver coinage at home, and to repay to the Government the cost of obtaining Silver for that purpose. But it is not necessary here to discuss the special meaning of the British figures. It is safe to say that, down to the 15th century, the general market ratio of Silver to Gold was not far from 1 : 12. The serious variation shown in the 13th century, when, according to Italian economists, the average ratio in Milan, Florence, Lucca, Rome, and Naples was as low as 1 : 10·5, indicates a much greater supply of Gold in that region at that time than was available in the more warlike and less commercial parts of Europe. Indeed, at the period referred to, these Italian cities were notably prosperous in trade and manufactures; and we may well believe that Gold flowed in abundance to them, as to points where it could be safely and profitably invested.

There is no doubt, however, that, during the 15th century, the relative value of Gold declined from about 12 to the neighbourhood of 10, probably by reason of the scanty supply of Silver, and the growing demand for that metal in manufactures (especially by the silversmiths), and in oriental commerce. The ancient sources of Silver in Thessaly and Spain had been to a great extent exhausted; the New World had not begun to yield its argent treasure; and the mines of Saxony and Bohemia had not reached their maximum productiveness. It will be seen in the following period, as at others in this history, that the development of new fields and new methods of history checked the tendency created by the currents of commerce, and restored the balance of value so seriously disturbed.

TABLE III.—From the Discovery of America to the opening of the Mines in California and Australia.

Date.	Ratio.	AUTHORITY.
A. D.		
1526	11·30	Apparent relation of market value, as deduced from the British Mint regulations, some absurd and unsuccessful experiments in coinage being disregarded.
1543	11·10	
1561	11·70	French Mint regulations.
1575	11·68	
1551	11·17	German Imperial Mint regulations.
1559	11·44	
1604	12·10	British Mint regulations; experiments disregarded.
1612	13·30	
1619	13·35	
1623	11·74	Upper German regulations.
1640	13·51	French Mint regulations.
1665	15·10	
1667	14·15	Upper German regulations.
1669	15·11	
1670	14·50	British regulations.
1679	15·00	French regulations.
1680	15·40	
1687—1700	14·97	Ratios calculated from the bi-weekly quotations of the Hamburg prices-current, giving the value of the Gold ducats of Holland in Silver thalers, down to 1771, and after that in fine Silver bars. The nominal par of exchange during this period was 1 : 14·80, and the quotations show the variations of the market rate in percentage above or below this. At par, six Silver marks-banco were equivalent to one ducat, $68\frac{20}{47}$ ducats containing one mark (weight) of fine Gold, and $27\frac{3}{4}$ Silver marks-banco, containing one mark (weight) of fine Silver. Hence, $6 \times 68\frac{20}{47} \div 27\frac{3}{4} = 14{\cdot}80$, the par ratio.
1701—1720	15·21	
1721—1740	15·08	
1741—1790	14·74	
1791—1800	15·42	
1801—1810	15·61	
1811—1820	15·51	
1821—1830	15·80	
1831—1840	15·67	
1841—1850	15·83	

Remarks.—The first part of this Table, like those which precede it, is compiled from imperfect data, in the absence of such direct evidence of ruling market values as is furnished from 1687 to 1840 by the Hamburg quotations, the appearance of which is a significant indication of the extension of commerce and manufactures. All conclusion drawn from the mint regulations of countries maintaining a double standard are affected with a double uncertainty. In the first place, the frequent practice of enforcing, for reasons of State, arbitrary relations of value in coinage may mask the real market ratio; and, in the second place, the lack of free commerce and swift intercommunication among the nations may retard the evils resulting from such arbitrary action, and postpone the necessity of legislative remedy. Hence the change, as shown by the mint regulations, may apparently occur some time after the real change in the relative value of the metals. Certain wild experiments with the coinage, particularly in England, have been omitted from the Table, as having no real connection with the actual relative value. But, if we do not scan the dates too closely, nor lay too much significance upon the maintenance of a certain rate in one country after it had been abandoned in another, the figures above given, down to 1680, may furnish us an instructive picture of the effect of the discovery, conquest, and plunder of South America upon the commercial relations of Europe.

The earliest effect of this discovery was the shipment of Gold to Spain during the first quarter of the sixteenth century. At the beginning of that century, as shown in Table II., the ratio of Silver to Gold was about 1 : 10·7 or 1 : 10·5. The average annual influx of gold to Spain, down to 1527, probably did not exceed 400,000 dollars. But this supply, though it seems small to us now, would doubtless have depressed still further the value of Gold, but for the remarkable productiveness of the Bohemian and Saxon Silver mines. The joint result of both causes was a notable increase of the amount of precious metals in circulation, and hence a rise in general prices, with which we have here nothing to do. The effect on the ratio between Gold and Silver was a gradual increase in the value of Gold.

About 1550, the annual supply of Gold may be roughly estimated to have been 400,000 dollars, and that of Silver 2,600,000 dollars. By 1600, the production had become about 1,200,000 dollars in Gold, and 10,000,000 dollars in Silver; in 1650, about 2,300,000 dollars Gold, and 15,000,000 dollars Silver. This increase in the supply of Gold is largely

Appendix, No. 8.

due to the development of the Guinea Coast, and the productiveness of the Hungarian Gold mines. The increase in the supply of Silver is due to the introduction of amalgamation, and its use, principally in the form of the ratio process, for the cheap production of Silver in Peru and Mexico.

It is scarcely necessary to point out that the relative value of the two metals is not in the simple inverse ratio of their supply. The question of cost of production and of superiority in qualities adapting them for different purposes of currency, exportation, ornament, and manufacture must always play an important part; and, even after all these elements have been calculated, it would be difficult to fix or foretell the relatives price of the metals, since the local, temporary, and fluctuating demands, and so-called "movements of specie," come in as disturbing phenomena of that incalculable element, the human will.

Thus we find that, in the latter half of the sixteenth and the first half of the seventeenth century, the production of Silver was about seven times as great as that of Gold. The drain of Silver to the East Indies had already begun, and a large part of the product of South America found its way thither, returning, in varied forms, wealth and luxury to enrich and enervate the Mediterranean nations. Yet the remainder of the Silver product was great enough to cause an increasing surplus of that metal, and a consequent fall in its relative price. It was, moreover, in many countries a period of war, and the large expenditures incurred led to a general increase in the Gold coinage. The sudden and violent changes shown by some of the continental mint regulations are indicative rather of financial and legislative necessities than of commercial changes. The English regulations seem to have been, on the whole, more stable, and represent probably with greater accuracy the steady enhancement of Gold, the value of which, as compared with Silver, advanced during the seventeenth century about 30 per cent., and during the sixteenth and seventeenth centuries together about 45 per cent.

A general tendency in the same direction is visible in the eighteenth century, but here there is much greater stability, and the rise of Gold is frequently checked.

Aided by the extract data drawn from the Hamburg quotations, we can trace the causes of fluctuation more accurately than in former years. I repeat that we are not here concerned with the general rise in prices produced by the greater volume of metallic currency, and the multiplication of its efficiency through banking and credit. Our object is to study simply the agencies at work upon the relative value of the metals, and we find in this period, as in former ones, counteracting causes with a general resultant effect. The influx of Silver from South America to Europe was continued and increased down to the beginning of the nineteenth century, but the export to Asia of piastres coined from American Silver assumed colossal proportions, averaging, as Professor Soetbeer estimates, from 1690 to 1800, about 6,000,000 dollars annually. Moreover, there was a considerable importation of Gold from Asia, in return, to Spain and England. In China and Japan, according to the celebrated report of Sir Isaac Newton, Master of the British Mint, in 1717, the pound of find Gold was worth but nine to 10 pounds of fine Silver, while the ratio in Europe was about 1 to 15. A merchant buying his goods in India with Silver, and selling them in Europe for Silver, or for Gold with which he purchased Silver again for a new venture, would gain 50 per cent. in exchange alone, besides the fair profit to the trade; and, of course, it would be worth while for him, after completing in the East his cargo of bulkier products, to lay out the remainder of his cash capital in the purchase of Gold, which could be easily stowed and transported. This explains why, in the piracy and naval warfare of those times, the East Indiamen, going or coming, were considered so desirable as prizes. In either case they were tolerably certain to carry rich booty of Silver or of Gold.

But besides the export of Silver to India, and the imports of Gold from India, there was, for a short period, a notable influx of Gold from America, principally from New Granada and Brazil. The Brazilian supply was greatest from 1749 to 1761, and at that period occurred the unusual phenomenon of a rise of more than 4 per cent. in the relative value of Silver, due to this cause. From 1701 to 1748 the average ratio was 1 : 15·19; from 1751 to 1755 it was but 1 : 14·53. This reaction, on the other hand, was checked by the demand for Gold in the United Kindom for the purpose of coinage, and for the payment of heavy war subsidies to the continental nations during the struggle with Napoleon. The Bank of England, it is true, suspended specie payments from 1797 to 1819, and during this period the circulation of Gold in Great Britain was reduced, but the subsidies and hoarding kept up its price; and the resumption of specie payment caused a sharp rise, so that the average ratio for 1821 was 1 : 15·95. The contemporaneous falling off in the supply from America, Africa, and India would doubtless have carried this movement still further, but for the unexpected development of a new source of production in Siberia and the Ural. In the absence of the political and commercial causes already enumerated as operating to enhance Gold, this sudden influx of it would have mightily diminished its price. In fact, however, the ratio of value was not essentially changed, though the proportion of production was for the time being revolutionised. At the end of the 18th century, the whole annual product was estimated at about 15,000,000 dollars Gold and 40,000,000 dollars Silver. In 1846, on the other hand, by reason of the supply from Russia, the Gold product was estimated at about 43,000,000 dollars Gold, while the Silver had not increased, had, in fact slightly fallen off. At the beginning of the 19th century, in other words, the production of the precious metals was about 27·8 per cent. Gold and 72·2 per cent. Silver. By 1846

it

it had become about 52·3 per cent. of Gold to 47·7 of Silver. Yet the relations of value had changed. The average of 1846 shows a ratio of 1 : 15·66. Appendix, No. 8.

From 1841 to the present time, the relative values are calculated from the London quotations, as explained fully below.

TABLE IV.—From 1851 to 1874, inclusive.

Date.	Ratio.	Authority.
1851 - -	15·46	The London quotations. These give the price of a given weight of standard Silver in shillings and pence sterling. Bearing in mind that there is in Great Britain no charge for coinage, and, hence, that the price referred to varies exactly as the market value of the metals, we can calculate the ratio as follows. The standard Gold is $\frac{11}{12}$ fine, and its value is fixed at 77 *s.* 10½ *d.*, or 934·5 pence per ounce troy. Hence the value of an ounce of fine Gold is $\frac{12}{11}$ of this sum, or 1019·45 pence. The standard Silver, on the other hand, is $\frac{37}{40}$ fine; hence an ounce of fine Silver is worth 1·081 times as much as an ounce standard Silver. If the fixed value of an ounce of fine Gold be divided by 1·081 times the quoted price of an ounce of standard Silver, the quotient is the ratio desired. Thus, if x be the quoted price per ounce in pence, $\frac{1019{\cdot}45}{1{\cdot}081x} = \frac{943}{x}$ (very nearly) is the ratio. Briefly, dividing 943 by the price in pence of an ounce of standard Silver gives the ratio correctly to the second decimal place. London being the acknowledged centre of the commercial world, this ratio determines the relative value of the metals among civilised nations.
1852 - -	15·57	
1853 - -	15·33	
1854 - -	15·33	
1855 - -	15·36	
1856 - -	15·33	
1857 - -	15·27	
1858 - -	15·36	
1859 - -	15·21	
1860 - -	15·30	
1861 - -	15·47	
1862 - -	15·36	
1863 - -	15·38	
1864 - -	15·40	
1865 - -	15·33	
1866 - -	15·44	
1867 - -	15·57	
1868 - -	15·60	
1869 - -	15·60	
1870 - -	15·60	
1871 - -	15·59	
1872 - -	15·63	
1873 - -	15·90	
1874 - -	16·15	The Table shows annual averages only. The lowest *monthly* value of Gold was 15·12 in May 1859, and the highest 16·35 in October 1874. The annual average for 1874 here given is calculated upon the prices of 11 months ending 30th November.

Remarks.—The discovery of Gold in California in 1847, and in Australia in 1851, threw an unexampled quantity of this metal into circulation. While the annual product at the beginning of the century had been only about 15,000,000 dollars, and, in 1846, had been swelled by the Russian placers to the then astonishing amount of 43,000,000 dollars, it had reached in 1853, according to Professor Soetbeer, a value of more than 165,000,000 dollars, while the annual Silver product was scarcely more than 40,000,000 dollars. This enormous disproportion, coupled with the continuance of vast shipments of Silver to India naturally caused many economists to anticipate a serious and permanent depreciation of Gold. It appears from the Table that this did not take place in such a degree as expected, and for two reasons: First, the supply of the precious metals, particularly Silver on hand in Europe, was so great that even the immense production of the Gold mines in California and Australia could not immediately cause an overwhelming revulsion. General prices, of course, advanced; but that is not the point now in question. Chevalier estimates that the Gold production, from 1500 to 1847, inclusive, had been nearly 3,000,000,000 dollars, of which (according to other authorities) something less than 2,000,000,000 dollars had come from Spanish America, which had furnished in the same period about 5,000,000,000 in silver. Of the latter, perhaps, 1,000,000,000 dollars had been exported to India; but the stock of both metals still remaining in Europe was large, and the introduction of silver-plated wares liberated much Silver which had been kept in the form of solid ware. But this would not long have sufficed to retard the fall of Gold but for another cause, namely, the enormous coinage of Gold in the countries employing the French system. Before discussing this important element, it is well to point out that the Gold production of California and Victoria suffered a diminution, through the exhaustion of the richest superficial placers, say about 1860, which was but partly compensated by the new discoveries in New Zealand, Idaho, Montana, &c. Moreover, after 1866, the shipments of Silver to India notably declined, and finally the production of Silver from Nevada and other territories advanced to colossal proportions. It was in the period preceding these changes that the French coinage system exercised its restraining influence against the depreciation of Gold. By the French law of 1803, the franc was fixed at five grains of standard Silver, ·900 fine, and it was provided that the kilogram of standard Gold of the same fineness should be coined into 155 twenty-franc pieces. In other words, the relative value of the metals was established by law as 1 : 15·5. By the payment of a small coinage charge, any one could obtain at Paris coin of either metal in exchange for fine bars of the same. Now, by reference to Table IV. above, it will be seen that the ratio between Gold and

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Silver in the market, which had been up to the beginning of the nineteenth century always less than 15·5, ranged steadily above that point. Hence there was no inducement to coin Gold. The Gold coins themselves commanded a premium for melting. From 1825 to 1848 inclusive, the French coinage was only 268,000,000 francs in Gold, against 2,380,000 francs in Silver. The law of 1803 had been passed at an unlucky period, and its effect for nearly 50 years was to drive Gold from circulation, and flood Western Europe with a redundant Silver currency. But it undoubtedly operated during that period to check the depreciation of Silver by employing an excess of it as currency, and by diminishing the similar employment of Gold, and thus increasing the available supply of that metal for other uses.

The reaction caused by the influx of American and Australian gold was immediate. So soon as fine Gold was enough cheaper in the market than 3,444$\frac{4}{9}$ francs per kilogram to make it profitable to holders of it to take coin for it that rate, the amount of Gold presented for coinage in France was immense. From 1851 to 1867 there were coined in that country more than 5,806,000,000 francs Gold, against 393,000,000 francs Silver, and the Silver coinage rapidly disappeared. Of 800,000,000 dollars Silver shipped to India in the period just named, probably more than half was melted down from the coinage of the franc-using countries, France, Italy, Belgium, and Switzerland. Thus the new supplies of Gold found a new application, and the eastern demand for silver found a new supply, so that the value of Gold was kept at 15·09 to 15·21, in spite of the excessive influx of it, which would otherwise have caused it to sink much lower. The practical abolition of the double standard by the United States in 1853, and the increased Gold coinage of Great Britain and her colonies, were subordinate causes assisting this tendency. But the French system, serving for a while as a breakwater against the natural effects of great commercial facts, was itself swept away by the tide. The disappearance of a Silver coinage is more inconvenient to the masses than the lack of Gold. The lack of Silver for currency brought about the famous Convention of December 1865, at which France, Italy, Belgium, and Switzerland united in the attempt to regulate again the relative values of the metals in coinage. But for the obstinacy of France, the cumbrous and fluctuating system of a double standard would have been given up. What was done was to diminish the value of the silver coinage, or rather to establish a coinage of pieces from a half franc to two francs, which, being legally as coins worth more than they were actually, could not be re-melted or exported with profit. It was a pity that even a measure of this kind was carried out in the most unfortunate way. By changing at that time the weight of the Gold instead of the Silver coinage, the franc-countries might have obtained a system in which the weights of coins would have been a direct relation to the metric system; and, if the double standard had been definitely abolished, and Gold adopted as the sole standard, a foundation would have been laid for that international system which still appears an unattainable blessing, a system, namely, by which the different nations, each coining its own money, might maintain a certain uniform fineness of Gold coinage, and accept as legal tender all Gold coins according to their weight in metric units. The gram of standard Gold would then be the international unit of money, with which all coins would gradually be brought into simple integral relations.

But the Convention of 1865 chose a different course, and it had hardly taken the step of debasing the Silver coinage to counteract the effects of the enhancement of Silver, when a revolution took place, and a depreciation of Silver was inaugurated, which has continued to the present time. The causes of this change, some of which have been already alluded to, deserve closer attention.

The exports of Silver to India down to 1856 were to pay for products of the East exported to Europe and America. During our civil war, the extraordinary production of cotton in India increased this balance of trade, and thus augmented the drain of Silver in that direction. Moreover, between 1856 and 1866, large sums of Silver went to India as loans, to be employed in the construction of an extensive railway system. These special causes ceased after 1866, and the payment of the interest on the Indian loans is now, so far as it goes, an element on the other side of the balance of exchange. The demand for Silver in India is, however, by no means extinct, and one effect of the increased development of internal trade and industry in that region will be to maintain this demand. Professor Soetbeer, in proof of the intimate relation between the rate of Indian exchange and the ratio of Silver to Gold in London, calculates the following five-year averages from the London prices and the Calcutta quotations for six-months drafts :—

Average of Period.	Drafts on London in Calcutta.	Price of the Ounce Standard Silver in London.	Ratio of Gold to Silver.
	Pence per Rupee.	*Pence.*	
1856–60 - - -	25$\frac{1}{4}$	61$\frac{1}{2}$	15·33
1861–65 - - -	25	61$\frac{1}{4}$	15·40
1866–70 - - -	23$\frac{1}{2}$	60$\frac{1}{2}$	15·59
1873 - - -	23	59$\frac{1}{4}$	15·91

The

The second great cause of depreciation of Silver was the colossal production from the United States. The product of this country, as I have shown in another place, was in 1861 but 2,000,000 dollars. From 1862 to 1866 inclusive, it was 45,000,000 dollars, or an average of 9,000,000 dollars per annum. In 1867 it was 13,500,000 dollars; in 1868, 12,000,000 dollars; in 1869, 13,000,000 dollars; in 1870, 16,000,000 dollars; in 1871, 22,000,000 dollars; in 1872, 25,750,000 dollars; in 1873, 36,500,000 dollars. The declared importations into Great Britain were:—

	£.
1870	3,387,000
1871	5,689,000
1872	4,575,000
1873	5,992,000

The great *bonanzas* discovered in the Comstock lode of Nevada have been the chief cause of the latest increase, but the extraordinary and rapid development of the silver-lead-smelting industry in Nevada (Eureka) and Utah has also been an important factor.

A third cause of the depreciation of Silver was the abandonment by Germany, after the Franco-German war, of the Silver standard, and the issue of a standard Gold coinage for the Empire. Professor Soetbeer estimates that in November 1874 there was still in circulation in the different German States about 230,000,000 dollars in Silver coin, less than half of which would probably remain in circulation after recoinage, the remainder being thrown upon the market for exportation. The effect of the change is twofold, the liberation of Silver from circulation as coin, and the increased demand for Gold. The amount of imperial Gold coinage resolved upon in 1871 was 400,000,000 thalers (about 290,000,000 dollars), of which 362,000,000 had been coined up to November 1874. It was evident, however, that at least 500,000,000 thalers would be required, and this would tend to continue the special demand for Gold.

The countries of the franc system, with double standard, have, however, again furnished a check to the prevailing tendency, which has, doubtless, greatly modified the fall in Silver. In these countries, the ratio being fixed at 15·50 by law, it has been since 1866 profitable to have Silver coined. In 1872, the coinage of Silver in the Netherlands was 33,540,945 florins; in 1872 and 1873, all the States of the franc system coined some 200,000,000 francs in Silver. But this could not continue, and in 1874 a limit was provisionally set to the coinage of five-franc pieces. A new convention is said to have been arranged, the results of which will be very important to the question now under consideration. The depreciation of Silver may be retarded, if the coinage of it as a legal tender currency, at a rate above its market value, is continued. But this policy, whatever its immediate conveniences, is contrary to the true principles and tendencies of political economy. The demonetisation of Silver, and the universal adoption of Gold as a standard currency, with Silver as a material of subsidiary coinage, is that to which all nations must come. The ratio of 15·5 is too near the average market ratio for the last century to be safely adopted. But the ratio of 15, as proposed by Mr. Elliott and other American writers on this subject, and partly adopted in our coinage, is reasonably certain to remain permanently below the market ratio, and hence to serve satisfactorily in coinage, while it possesses practical value as an integer simply related to the decimal system.

A review of the whole history shows us that the natural tendency has been, since industry and commerce were organised, towards a depreciation of Silver; that this tendency has been periodically counteracted by three great causes, the successive discovery of new Gold fields (Africa, Brazil, the Ural, California, Australia, New Zealand, Idaho, Montana, &c.), the exportation of Silver to the East, and its elastic employment for coinage. It is highly improbable that new Californias will be opened, though the present production from quartz and hydraulic mines, in this country at least, is likely to be maintained and even increased; the demand for India will not be augmented, but, by growing reciprocity of commerce, probably decreased, though slowly; and the use of Silver in coinage will, probably, also remain stationary or decline. On the other hand, the production of Silver will probably increase, though the enormous reinforcements from this or that great *bonanza* will be temporary in their effects. Looking at the subject on a larger scale, it is not this or that Silver mine, but the vast area of silver-bearing territory in this country and Mexico which may be expected to develope and maintain an increased production. What may be the metallic treasures of Asia we scarcely know as yet; but their exploration will, at all events, for many years to come, produce nothing that the vast population of that region will not immediately swallow up.

All general considerations, so far, seem to point to a permanent depreciation of Silver. Not that the price of November 1874, the lowest ever reached in history by the free action of commercial and industrial causes, will be maintained or further decreased; but that the ratio ruling a dozen years ago is not likely to be regained, and the low price of Silver must be accepted by miners and metallurgists as a part of the economical problems

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submitted to them. When I say that the gross product of a Silver mine to-day is worth in Gold 9 per cent. less than it would have been in 1859, it will be seen that this is a question intimately connected with profits and dividends. Indeed the probable suspension of mining and metallurgical operations which cannot afford this loss, will, perhaps, be one re-action tending to diminish the production, and thus check the depreciation of Silver. In whatever way the general current flows, it is sure to be interrupted by such eddies, the results, indirectly, of its own motion.

ESTIMATED PRODUCTION of the PRECIOUS METALS in the States and Territories West of the Rocky Mountains, in the Years 1869 to 1874.

STATES AND TERRITORIES.	1869.	1870.	1871.	1872.	1873.	1874.
	Dols.	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*
Arizona	1,000,000	800,000	800,000	625,000	500,000	487,000
California	22,500,000	25,000,000	20,000,000	19,049,098	18,025,722	20,300,531
Colorado	*4,000,000	3,675,000	4,663,000	4,661,465	4,020,263	5,188,510
Idaho	7,000,000	6,000,000	5,000,000	2,695,870	2,500,000	1,880,004
Montana	9,000,000	9,100,000	8,050,000	6,058,339	5,178,047	3,844,722
Nevada	14,000,000	16,000,000	22,500,000	25,548,801	35,254,507	35,452,233
New Mexico	500,000	500,000	500,000	500,000	500,000	500,000
Oregon, Washington	3,000,000	3,000,000	2,500,000	2,000,000	1,585,784	609,070 154,535
Wyoming	†-	100,000	100,000	100,000	50,000	†—
Utah	‡-	1,300,000	2,300,000	2,445,284	3,778,200	3,911,601
Other Sources	§ 500,000	525,000	250,000	250,000	250,000	§ 100,000
Total *Dols.*	61,500,000	66,000,000	66,663,000	63,943,857	71,642,523	72,428,206

* Including Wyoming in 1869.

† Included under Colorado in 1869, and under "Other Sources" in 1874.

‡ Included under "Other Sources" in 1869.

§ Including Utah in 1869, and Wyoming in 1874.

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PAPERS put in by Mr. *Henry Waterfield.*

EXTRACTS from Report of the Director of the Mint, United States, for the Fiscal Year ending 30 June 1875, dated 27 November 1875. Appendix, No. 9.

The Trade-Dollar.

IN the latter part of the year 1872, it became apparent that the change in the German monetary system, and other causes affecting the demand and supply, would produce a serious decline in the value of Silver, and injuriously affect our Silver mining interests.

To provide a market for the Silver mined in the western portion of our country, a coin of a standard likely to make it acceptable in China was authorised early in the following year, 1873. About two years afterwards, January 1875, a law, looking to the substitution of Silver for the paper fractional currency, was enacted. Upon a superficial examination the trade-dollar may be supposed to interfere with the plan of substituting silver for the fractional currency; such, however, is not the case, its coinage not having the least effect on the general market price of Silver. The real effect is to make something of a local market at San Francisco, and, if our annual production of that metal was not more than the mints could coin, the Silver production of the Pacific coast would command slightly better rates; but the fact is, the coining capacity of the mints for Silver coins of less denomination than the dollar is not equal to more than half the production, and two years' yield of the mines will, it is probable, furnish sufficient Silver to manufacture all the fractional coins that can be advantageously used in the country.

After the redemption of the fractional notes, Silver coins, with the exception of the trade-dollar, can only be issued under the coinage laws in exchange at par for Gold coins, and, as this limitation will be a barrier to their excessive coinage, the demand for bullion for that purpose must, after two or three years, be quite small. The coining rate of Silver in trade-dollars is $1{\cdot}14\frac{28}{100}$ dollars per standard ounce. Deducting the charge of $1\frac{1}{4}$ per cent. on the nominal value (equal to $1\frac{43}{100}$ cents per ounce) gives a return to the depositor in that coin of nearly 113 cents per ounce. The fact that the average price of Silver purchased for the fractional coins has been only $111\frac{4}{10}$ cents per standard ounce proves that the trade-dollar coinage has not influenced the price to any perceptible extent.

The Comstock bullion, which has San Francisco for its natural market, consists, on the average, of twenty-one parts by weight of Silver to one of Gold. The two metals must be separated or parted before either can be brought to the legal standard for coinage. The most economical proportion for the parting operation being two parts by weight of Silver to one of Gold, the Comstock bullion admits of Gold containing a small percentage of Silver being added and refined, with but trifling expense compared with that which would be incurred if fine Silver had to be purchased and added to such Gold to bring it to the proper proportions for refining.

This class of bullion is, for this reason, a favourite in the London market, where Gold containing a small percentage of Silver constitutes principally the partible bullion received, and a higher rate is paid for it there than for fine Silver.

Formerly this unparted bullion was nearly all shipped direct from the mines to London, but the coinage of the trade-dollar and repeal of the charge for coining Gold have caused it, during the present year, to be refined and minted in the United States.

Ultimately China must have a national coinage of Silver, and, in the meantime, a more extensive use of the Silver coins of other countries will be found advantageous not only to the Chinese but to foreign residents at the different ports. The American trade-dollar has been well received in that empire; and, if authority were given to coin at our western mints five, ten, twenty, and fifty-cent pieces of the *same standard*, they would no doubt find a ready market at the different commercial ports, and gradually work their way into the interior of the empire.

If this trade coinage should incidentally afford protection to our mining interests, which have already been injuriously affected by the fall in the value of Silver, it could hardly be regarded otherwise than as sound national policy.

Note.—One million dollars in gold coin weigh 53,750 troy ounces, or 3,685·71 avoirdupois pounds; equal to, at 2,000 pounds to the ton, 1 ton 16 cwt. 86 pounds.

One million dollars in trade-dollars weigh 875,000 troy ounces, or 60,000 avoirdupois pounds; equal to, at 2,000 pounds to the ton, 30 tons.

One million dollars in subdiary silver coin (half and quarter dollars, 20-cent. pieces, and dimes), weigh 803,750 troy ounces, or 55,114·28 avoirdupois pounds; equal to, at 2,000 pounds to the ton, 27 tons 11 cwt. 14 pounds.

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Purchases and Coinage of Silver.

The first section of the Act of 14th January 1875, for the resumption of specie payments, authorised and required the Secretary of the Treasury to cause to be prepared, as rapidly as possible, Silver coins for the redemption of the fractional currency.

The purchases of Silver bullion for this purpose, from 14th January to 31st October 1875, have amounted to 9,183,417·37 dollars, at an average price, with the refining charge added for the Doré bullion, of $111\frac{4}{10}$ cents per ounce standard. The average price of Silver in London during the same period has been 56·99 pence per ounce, British standard, which, reduced to United States standard and money, gives $112\frac{4}{10}$ cents.

The coining rate of the fractional Silver coins being $124\frac{4\,16\,8}{10\,00\,0}$ cents per standard ounce, and the average cost of the bullion $111\frac{4}{10}$ cents, the seignorage or gain on its coinage will be 13 cents per ounce, or about 12 per cent.

The fractional Silver coin manufactured during the same period was as follows:—

	Number of Pieces.	Value.
		Dollars.
Half dollars - - - - -	10,535,200	5,267,600
Quarter dollars - - - - -	4,260,200	1,065,050
Twenty cents. - - - - -	1,253,590	250,718
Dimes - - - - - -	12,375,400	1,237,540
TOTAL - - -	28,424,390	7,820,908

The coinage of these pieces for the month of November may be set down at 680,000 dollars, and the amount in the Treasury and mints on the 31st of January 1875 at 1,500,000 dollars, which amounts, added to the coinage from 1st February to 31st October 1875 inclusive, would give a total of about 10,000,000 dollars.

The amount of Silver coins exchanged at par for Gold during the fiscal year was 20,425·37.

Redemption of Fractional Paper Currency in Silver Coins.

The depreciation of United States legal-tender notes, which commenced soon after their issue took place, caused the Silver coins to be exported, and rendered the employment of a substitute necessary. The issue of fractional notes was undoubtedly preferable to the debasement of the Silver coins, but their permanent use isn either desirable nor practicable. The annual issue being about 36,000,000 dollars on a circulation of from 40,000,000 dollars to 45,000,000 dollars, shows the average life of these notes to be, say, 15 months.

The estimates of the Treasury officers having charge of the business show the necessary expense of maintaining this currency, during the last fiscal year, to have been 1,410,746 dollars. This does not include the expense attending the handling of the fractional notes at the different sub-treasuries and depositories, all of which receive them for redemption, and which, if added to the expenses incurred at the Department, would probably show the total cost of maintaining the fractional currency to be equal to about 5 per cent. on the annual issue, and corresponding with the interest on the amount of bonds which may have to be sold to procure, say, 36,000,000 dollars (Gold value) in Silver bullion for coinage, and which would give Silver coins of the nominal value of 45,000,000 dollars.

The Course of Gold and Silver.

The principal money markets of the world have been occasionally disturbed during the last three years, and the margin of the exchanges has been such as to afford a wide field for speculation. In seeking for the causes of these disturbances, it would appear, at first glance, that the supply of Gold is unequal to the legitimate demands of the rapidly increasing commerce of the world. A careful examination of the subject, however, will show that the monetary troubles have not been caused by insufficient supplies of Gold, but by its having been withheld in large sums from circulation, and the diminished use of silver as money. It will be of some interest to note the events and circumstances which have caused this abnormal state of affairs.

In

In 1871, provision was made by law for a new money system in the German Empire, the principal features of which were the establishment of the exclusive Gold standard, the demonetisation of Silver, and the issue of national coins, involving, as a necessary consequence, the withdrawal of all Gold and Silver coins then in circulation or held as treasury and bank reserves.

The amount of Silver coin in the empire at the time of the enactment of the new monetary law was estimated by the best authorities at about 350,000,000 dollars. It was expected that two-thirds of this amount would be exported to neighbouring countries, and the balance converted into subsidiary coin.

The natural markets for this surplus were the Netherlands and those countries having a double standard, for the reason that Silver has there a fixed rate to Gold in the legal-tender coins. In proportion to the fall in the price of Silver which immediately commenced, the Silver coins of the Netherlands and the five-franc piece of France, Belgium, Italy, and Switzerland became depreciated to an extent which enabled exchange dealers and speculators to largely import Silver for coinage, and these coins entering freely into circulation soon caused Gold to be exported.

The countries referred to became alarmed, and measures were taken by them to prevent a further influx of Silver at the expense of Gold. The Netherlands temporarily closed its mint, and France, together with her monetary allies, limited the manufacture of legal-tender * Silver coins at their respective mints to a total of about 28,000,000 dollars for the year 1874, and the same amount for 1875, the contingent for each year being about as follows:—

	Francs.
France	60,000,000
Belgium	12,000,000
Italy	60,000,000
Switzerland	8,000,000

The closing of the Netherlands mint was followed by the enactment of a law which authorised the coinage of a legal-tender Gold piece, and prohibited the coinage of Silver, except for Government account. These measures were skilfully taken, and closed the door against Silver, and correspondingly opened it for Gold.

The delay in completing the great monetary reform in Germany must be attributed mainly to the action of the neighbouring countries in practically closing what was expected would be the best and largest markets for Silver. Under the former money system, Germany was a purchaser of Silver, but when the change from the Silver to the Gold standard took place, ceased to be so, and became a large seller.

The condition of the State Bank of Russia would appear to indicate that the prospective fall in Silver had caused some uneasiness at St. Petersburgh, and that protective measures had been taken, from the fact that the Bank held on the 1st January 1856, 67,897,561 roubles Gold, and 45,234,372 roubles Silver, and on 22nd July 1874, 194,049,231 roubles Gold, and 23,315,329 roubles Silver.

Notwithstanding the large amount of specie received in payment of the French indemnity, Germany has, from time to time, since 1872, been a purchaser of large sums of Gold, and the manufacture of the new standard national coins has already amounted to about 285,000,000 dollars. The coins, however, have not gone into general circulation to the extent originally expected, for the reason that the old standard silver coins, which are inferior in value, continue, under the provisions of the new monetary law, to be effective money in payments. Gold has, therefore, to a large extent, been held in the vaults of the Imperial treasury, mints, and the banks.

While this has been the course in Germany, France has been gradually recovering the Gold which she lost during and after the close of the war with Prussia, the Bank of France alone holding more than 300,000,000 dollars in specie.

The specie stock of France before the war was estimated as follows:—

	Francs.
Gold	4,800,000,000
Silver	1,200,000,000

The indemnity to Prussia paid in specie was 500,000,000 francs, leaving 5,500,000,000 francs in the country, which have remained in a dormant condition on account of the forced currency of paper money.

From what has been stated it will appear that Governments, banks, and exchange dealers have during the period under review been purchasers of Gold, which was likely to advance in value, and sellers of Silver, which showed indications of a decline, and that the course of the precious metals during the last two years has not been controlled by the usual influences previously operating, but by transactions of unusual character and magnitude, involving, as a necessary consequence, large and sudden transfers of coin and bullion from one country to another, and which, by raising or depressing prices, created a wide field for speculative operations.

Fortunately,

* The words "legal-tender Silver coins" refer to coins that are by law unlimited legal tender, and not to subsidiary or token Silver coins, which are purposely over-valued, issued on Government account only, and limited as to issue and legal tender.

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Fortunately, such a condition of affairs rarely arises, and cannot continue much longer. The Gold standard is to go into force and effect throughout the entire territory of the German Empire on the 1st of January 1876, in accordance with an Imperial decree of 22nd September 1875, and which would appear to indicate the employment at an early day of more decided measures than heretofore for the withdrawal of the depreciated legal-tender silver coins, and thus make room for the more valuable new national money.

When the complete demonetisation or withdrawal of these depreciated Silver coins shall have been accomplished, Gold will enter freely into the channels of circulation, and money affairs resume their usual course.

France would appear to have a supply of specie abundantly sufficient for the resumption and maintenance of specie payments, and the treasury and bank reserves of Europe no doubt consist of a greater percentage of Gold than at the time of the enactment of the new money law of the German Empire. The sooner the German monetary reform now in progress is completed, and the Bank of France resumes specie payments, the better it will be for Germany, France, and the United States. The time fixed for resumption by France is January 1878, but it is probable that it will take place before the time specified.

The lowest price of Silver immediately preceding the discovery of Gold in California and Australia, average for the year 1848, was 59¼ pence per ounce, British standard, 925-thousandths fine, and the highest price reached after these discoveries was in 1859, the average of that year having been 62⅛ pence. From 1859 there was a gradual depreciation during thirteen years, after which the influx of California and Australia Gold ceased to have any influence. The average of 1872 was $60\frac{5}{16}$ pence. Since then there has been a very marked decline, the prices falling, in June and July 1875, as low as 55½ pence.

During the last two months, September and October, the price in London has recovered to about 57 pence, owing to diminished receipts from the United States, and increased exports to the Indies and Spain.

The fabulous accounts which reached Europe of the discoveries made near the close of 1874 on the Comstock lode, in the State of Nevada, no doubt had some influence in bringing about the heavy decline in price which has occurred during the present year. Some of the accounts not only placed an excessive estimate on the probable yield of the extensive ore body, but the very important fact that the bullion from that source is, in value, nearly half Gold appears to have escaped attention. For the information of those who may desire to consider the effect of the fall in Silver on the finances, industries, commerce, and exchanges of different countries, it may be stated that the Gold value of the principal legal-tender silver coins of European countries has, of late, averaged about 8½ per cent. less than their tale or nominal values in the moneys of account which they respectively represent.

The Future Value of Silver.

The Gold standard practically prevailed in Great Britain a long period before 1816, during which time Silver was likewise in circulation, and a legal tender. In that year Silver was demonetised, and Gold made the exclusive standard and unlimited legal tender.

Since 1870, the exclusive Gold standard has been adopted by the United States, Germany, Japan, and the Scandinavian States. The double standard exists in France, Belgium, Italy, Switzerland, the Netherlands, Portugal, and Spain, and the Silver standard in Russia, Austria, Mexico, China, and the Indies.

The money systems of the South American States are very much confused, and it is difficult to determine their respective legal standards, but they no doubt call for the use of more Silver than Gold.

The circulating medium in the United States, France, Spain, Russia, and Austria, consists chiefly of forced paper currency, amounting altogether to about 2,500,000,000 dollars to 3,000,000,000 dollars. The legal basis for the redemption of the same in the United States is Gold; France, Italy, and Spain, Gold or Silver (in the fixed proportion of one to 15½), at the option of the issuer, and for Russia and Austria, Silver.

No further extension of the exclusive Gold standard appears to be probable for some years to come, although the period of waiting and expectation, as the limit placed upon the legal-tender silver coinage of the States of the Latin Monetary Union and the Netherlands may be characterised, will no doubt continue until the German surplus Silver shall have been distributed, but its effect on the price of Silver will be counterbalanced to some extent by the use of subsidiary Silver coin in the United States.

Four years having elapsed since the change in the German money system was inaugurated, and the adoption of the exclusive Gold standard having been carried to the full extent warranted by the supply of that metal, we may reasonably expect an increased demand for Silver, but not sufficient to cause for some time to come, a material alteration in the present relative valuation of Gold and Silver, which is about as 1 to 17.

Money and the Money System of the United States.

The question of returning to a specie basis is receiving general and earnest consideration, and while its discussion does not come within the limits of this report, certain well-settled principles and facts in connexion with the subject of money and the monetary system of this country may with propriety be briefly referred to.

A money standard, subject to as little variation as possible, and by which values may be computed, exchanges effected, and contracts fulfilled with uniformity and equity, has long been regarded as a necessity by every well-regulated Government.

The experience of nations has proved the precious metals, and particularly Gold, to be the least variable as a monetary standard and the best adapted for a circulating medium of all known substances; their peculiar properties, and particularly those of easy manipulation and resistance to the elements and agencies which either destroy or injuriously affect other metals and substances, rendering them eminently adapted for this service.

No material or substance not of intrinsic value, and comparatively imperishable, is suitable for a circulating medium and permanent standard of value. The value of the precious metals depends, as in the case of all other commodities, on certain inherent qualities and the cost of production. By value is meant the rate in the legal money terms of a nation or government at which labour and property of all kinds are exchanged, one for another. A given weight of Gold or Silver, unlike all other things, has a fixed value by law in the legal money terms of all countries, and this peculiarity contributes greatly to maintain uniformity in their value.

The units of the money of account of all countries associated in modern civilisation were originally based on, or declared by law to be represented by, a certain weight of pure metal in the form of coins, and the latter made a legal tender without limit.

The quantity of pure metal representing the ideal unit of the money of account, once being fixed by law, becomes the basis of exchange and measure of contracts, and its steady maintenance has always been regarded by the most enlightened statesmen and eminent writers on finance as an imperative duty of governments.

The precious metals being the real basis of all well-regulated money systems, no one commercial country can even temporarily depart from such without subjecting itself to serious evils. All paper money issued in countries having monetary systems based on the precious metals, whether forced into circulation by authority or received without compulsion, are simply promises to pay in coins representing the monetary unit, and their payment in such coins or redemption in their equivalent is obligatory on the issuer.

Soon after the adoption of the Constitution of the United States, the subject of a national money system was taken into consideration, and able papers on the subject were contributed by Hamilton, Jefferson, Gouverneur Morris, and other eminent men of that period. The result was the passage of the Act of 2nd April 1792, which established the mint for the purpose of a national coinage, and the money account of the United States; authorised the coinage of Gold and Silver coins of prescribed weight and fineness, and declared them lawful tenders in payment of all sums whatsoever, those of full weight according to their stamped value, and those of less than full weight at values proportional to their respective weights.

The monetary standard established by the Act referred to was Gold and Silver, and the importance which the eminent statesmen and financiers of that day attached to a uniform standard is seen in the provision which limited the legal tender coins of less than full weight to their *actual bullion value.*

No subsequent Acts of Congress declared anything but Gold and Silver a legal tender in the payment of debts, until the law of 25th February 1862 was enacted. This law authorised the issue, "on the credit of the United States," of the United States notes "payable to bearer at the Treasury of the United States," and declared such notes a legal tender in the payment of all debts, both public and private, except duties on imports and interest on certain bonds and notes.

A forced paper currency is well known to be, from various causes, subject to frequent fluctuations in value, and, unlike the precious metals, is wanting in the property of self-adjustment under the operations of supply and demand, and for these reasons alone must always prove an uncertain system upon which to conduct the business and exchanges of the country.

Production of the Precious Metals from the Mines of the United States.

Several communications and statements from official sources respecting the bullion production will be found in the Appendix. These papers embrace a detailed account of the gross yield of the mines in the State of Nevada for the last fiscal year, kindly furnished through the superintendent of the Carson mint by the State Comptroller. It would be a very valuable addition to our bullion statistics if similar statements to that furnished by the State authorities of Nevada could be procured from all the States and territories in which the precious metals are produced.

I take this occasion to acknowledge the hearty co-operation of the various State Officials who were invited to furnish information on this subject.

Appendix, No. 9.

New and Extensive Developments of Precious Metal Ores on the Comstock Lode.

It was a curious coincidence that, about the time the spacious new mint at San Francisco was completed, and increased facilities given the Carson Mint by the duplication of its coining machinery, the Pacific coast should be surprised by the reported discovery of an ore body in the Comstock lode which surpassed in extent and richness all others that had been previously met with.

Since the usefulness of those mints to the country at large, and more especially California and Nevada, depended upon the supply of the precious metals which they receive for manipulation, it was important to ascertain how far the expectations of an abundant supply from that source were likely to be realised. Additional interest was given to this discovery in consequence of the passage of an Act of Congress looking to preparations for a return to specie payments.

In view of these facts, and being in California during the summer on official business, I felt it my duty to obtain correct information respecting the extent of the ore body and its prospective yield of bullion. I accordingly sought a conference with the managers of the "Consolidated Virginia" and "California" mines, in which the discovery was represented to have been made, and explained to them my views, stating that the information sought was deemed important for the use of the Government.

The gentlemen applied to cheerfully acquiesced in my wishes, and volunteered every aid they could give in promoting my object, offering to allow me to select any one whom I thought proper to go into the mines for the purpose of making full observations and measurements, and to take specimens from the several drifts, cross-cuts, and winzes for assay, representing, as nearly as could be obtained, an average of the ore body.

In view of this offer, I determined to make a personal inspection of these mines, and to call to my aid the services of Professor Robert E. Rogers, who, as before stated, had been selected for the important duty of superintending the equipment of the refinery in the new mint at San Francisco. The annual settlement of the San Francisco mint having been completed, I visited Virginia city, in company with Professor Rogers, on the 16th day of July. After spending a day in examining the topography of the locality and the general course of the Comstock lode, as exhibited by the workings along its line, we entered the mines, and on the first day examined the drifts and cross-cuts, which had been made on the 1,400, 1,500, and 1,550 feet levels, observing the course of the same, and making such a collection of specimens as seemed to us to represent an average of the character of the ore body. Upon comparing our views, it appeared that there were some points which needed a further and corroborative inspection, and accordingly the next day Professor Rogers repeated his visit into the mines, settled the points that had been omitted on the first day, and gathered a second extensive collection of specimens for assay.

Before we left Virginia city for San Franciso, the superintendent of the mines placed in our hands certified surveys, exhibiting the direction, relative position, and length of the galleries, cross-cuts, and winzes of the different levels. These surveys were taken to San Francisco for careful examination and study.

On the 26th of August, having official business at the Carson mint, I again visited the mines, repeated their inspection, and examined specially the explorations which had been made since my previous visit, taking specimens from them for assay.

At my request, the superintendent of the mines has furnished a statement showing the explorations and developments made from 26th August, the date of my last visit, up to the 2nd instant (November).

In the meantime, the assays of the specimens taken have been made under the supervision of Professor Rogers.

With the data thus obtained, we have been able to arrive at somewhat definite conclusions as to the probable yield of these mines. These conclusions are embodied in a report by Professor Rogers, herewith submitted, and in which I concur.

I have referred to the two mines under one head, since, for the purpose of our examination, it was not necessary to make any distinction between them. After the works recently destroyed by fire shall have been rebuilt and operations fully resumed, the total production of all the mines on the Comstock may be safely estimated at not less than 50,000,000 dollars per annum, about 45 per cent. of which will be Gold.

In this connection it is interesting to add, as indicating the extensive bullion resources of our western country, that a production nearly equal to that estimated for the Comstock may be anticipated from other domestic sources during the year 1876.

The favourable condition of the precious metal mining industry is due to the judicious expenditure of a large amount of capital in extensive enterprises by men of superior energy and business qualifications. Nearly all the mines on the Comstock, as well as the hydraulic gravel mines in California and vein mines in other localities, as a general rule, made heavy drafts on labour and capital before any returns on the outlay were secured. Notwithstanding the improvements which have been made in mining and in the reduction of ores, the business is one of uncertainty and hazard, and, taking one year with another, the expenses no doubt equal, if they do not exceed, the production.

Many

Many of the present largest yielding mines were originally discovered by the adventurous and daring prospectors, who are always advancing into unexplored localities, and endure hardship and danger which would soon discourage the boldest, were it not that, under the liberal and fostering policy of the Government, the discoveries which they may make become their own property, subject to conditions looking to a certain degree of exploration and development before complete title can be acquired. The first capital which follows these prospectors is generally sunk, and but a small proportion of the mines are continuously worked, and many totally abandoned after considerable expenditures have been made.

These facts show that the policy pursued by the Government with reference to the precious metal mining interests has been eminently wise, and should be steadily continued.

Money Statistics.

We are frequently called upon by members of Congress and others for information respecting the amount of specie in the country at different periods.

In my first Annual Report, 1873, I estimated from the most reliable data obtainable the amount of Gold and Silver coin in the country on the 30th of June of that year at 140,000,000 dollars. The estimate for 30th June 1874 was 166,846,228 dollars. The product of the mines during the last fiscal year may be stated at about 72,000,000 dollars, and the imports of bullion for the same period, 20,900,717 dollars, making a total of - - - - - - - - - - - - - - $. 259,746,945

Deducting from this total the exports of the last fiscal year - 92,132,142

Leaves as the estimated stock on the 30th of June 1875 - - $. 167,614,803

In this estimate no account has been taken of the amount of Gold and Silver consumed in the arts and manufactures from 30th June 1872 to 30th June 1875. It is difficult to obtain any reliable data upon this point. Whatever the amount may have been, it was reduced to a considerable extent by the plate and other manufactured articles of Gold and Silver which found their way to the melting pot from the accumulated stock of the country. Making due allowance for the latter, the amount to be deducted from the estimated total may be stated at, say, 15,000,000 dollars, and allowing 10,000,000 dollars for possible over-estimates, would leave the amount of coin in the country on the 30th of June 1875 at about 142,000,000 dollars. Of this total, about 12,000,000 dollars to 15,000,000 dollars consists of Silver coin and bullion.

I have taken considerable care to make an estimate of the amount of specie circulation of the country at various important financial periods, availing myself of the Treasury and Congressional Reports, and covering the time since 1790. This information will be found in the Appendix.

* * * * *

Hon. B. H. Bristow,
Secretary of the Treasury.

H. R. Linderman,
Director of the Mint.

(From the Appendix to Dr. *Linderman's* Report for 1874-75.)

REPORT of Professor *Robert E. Rogers* on the Consolidated Virginia and California Mines, 15 November 1875.

" Sir,

" IN compliance with your request of 1st November 1875, that I would furnish you with a Report of my examination of the Consolidated Virginia and California Mines on the Comstock Lode, at Virginia City, Storey County, Nevada, with my conclusions as to their probable yield of Gold and Silver, based upon their present explored extent, and the quality of their ores as ascertained by assays, I would respectfully make the following statement:—

" My explorations through these mines were accomplished during two prolonged visits, made on separate days; one in company with yourself, and the other under the guidance of the superintendent. This was a work not merely of a general or superficial character, but of careful and laborious investigation, in which all the galleries and cross-cuts on the different accessible 'levels' were critically inspected and scrutinised with reference to the body of ore that might be within view, and its appearance in point of quality.

* * * * *

" The following brief description of the position of these mines, which lie in the same general line of ore body that constitutes what is commonly known as the Comstock Lode, may aid the mind in forming a better idea of their nature, and will serve to explain the principles which have guided the engineers and superintendent in laying off the work for exploring their extent and mining the ore.

Appendix, No. 9.

"The surface of the whole country around Virginia City is rough, broken, and hilly. At this immediate locality there is a long lofty range extension of the Washoe Mountains, at places many hundred feet in elevation above the plain, whose steep slope to the valley below faces towards the east, and whose general trend is north and south. About midway up the slope the croppings of the ore of these and of many other mines of the lode are visible.

"The first excavations which were made in the early workings here were upon these croppings, but in due time it was discovered that the ore-body dipped toward the east in a measure parallel with the surface of the mountain-side, though having no physical nor geological relation to that superficial outline. As a consequence of this discovery, the present shaft, known as that of the Consolidated Virginia Mine, was sunk at a point down the slope many hundred feet to the east of its outcropping.

"It is from this shaft that all the ore from the Consolidated Virginia and the California Mine has been lifted, until the recent fire, which destroyed the hoisting-machinery.

"The slope of the ore-body of these Mines is from 40° to 47° towards the east, and its trend or line of length is nearly north and south, or in the direction of the line of the containing mountain-lik range.

"This being the relative position of the vertical shaft to the sloping body of ore, it is evident that no ore would be looked for in the descent until several hundred feet had been reached. In point of fact 1,300 feet of rock were passed through before any horizontal drifting was done to intercept the ore.

"Ore of profitable richness having been met with at this level (the 1,300 feet level as it is called), the shaft was sunk to the depth of 100 feet more, and a similar horizontal drift run in to test the continuance of the ore. Finding that the ore-body on this the 1,400 feet level was undiminished in abundance, and richer than that on the 1,300 feet level, the shaft was carried down a second 100 feet, with a view to explore a 1,500 feet level; and finally, under the encouragement afforded in every successive foot of descent, a double winze has been put down recently in the California Mine to a dept of 110 feet below the 1.550 feet level.

"The shafts having been sunk successfully to the depths here indicated, the principle adopted for exploring and probing the extent of ore on each level was to run galleries and cross cuts.

* * * * *

"In the brief narrative of the progressive development of the Mines above given, it is seen that by this only safe and satisfactory mode of testing the length, depth, and width of the ore-body, it has been rendered possible to block out, in cubes of a hundred square each, the metal-bearing mass so far as penetrated to view, and to thus reach an approximate estimate of the probable aggregate ultimate product of Gold and Silver from these Mines.

* * * * *

"In speaking of these mines they have been referred to here in language common to both. The line which divides them is only a property boundary, there being two companies, but under one management. The ore is of the same character, and the east and west walls identical for them both.

"The claim of the Consolidated Virginia Mine is 710 feet long, and that of the California Mine is 600 feet. The explored width of the ore-mass on the 1,500 feet level averages 250 feet.

* * * * *

"With the data in our possession, and the maps before us, I may venture upon the following calculations, and estimate the total ultimate product of the Gold and Silver of the ore-body of these two mines.

"On an inspection of the official surveys exhibiting the galleries and cross-cuts, it would seem fair to conclude that with proper allowances, the ore-body equals an amount which, taken at the actual assays, would give as the ultimate yield of the two mines, 300,000,000 dollars; but to guard against a chance of over-estimating, I take the assays at one-half that ascertained, which will place the production at not less than 150,000,000 dollars.

"With a view to make due allowance for interruptions to the continuity of the body of ore which lies between the 1,500 and 1,400 feet levels, the whole of the ore contained between the 1,400 and 1,300 feet levels is thrown in, and not embraced in the estimate. It may also be stated that the very promising ore developments below the 1,550 feet level, the assays of which run very high, have also been omitted in the calculations.

* * * * *

"Hon. H. R. Linderman,
Director of the Mint."

"*R. E. Rogers.*"

(From the Appendix to Dr. *Linderman's* Report for 1874–75.)

Appendix, No. 9.

GROSS Yield of the MINES of the State of *Nevada*, for the Fiscal Year ending 30 June 1875.

COUNTIES.	Value.	
ORES:	*Dols.*	*cts.*
Eureka	3,184,599	40
Esmeralda	490,643	38
Elko	269,926	81
Humboldt	288,592	60
Lander	891,607	97
Lincoln	655,487	21
Lyon	111,452	89
Nye	619,861	78
Storey	23,780,810	78
White Pine	806,251	78
TOTAL Ores	31,099,234	60
TAILINGS:		
Esmeralda	4,601	00
Humboldt	33,446	54
Lander	274	26
Lincoln	265,763	46
Lyon	265,184	47
Storey	126,359	25
White Pine	330	00
TOTAL Tailings	695,958	98
TOTAL Production*	31,795,193	58
BORAX:		
Esmeralda	122,450	00

* Of this total, about 10,000,000 dollars was probably gold.—*H. R. L.*

Appendix, No. 10.

Appendix, No. 10.

PAPER put in by Mr. *Henry Waterfield.*

EXTRACT from the Report of the Secretary of the United States Treasury on the state of the Finances for the Year 1875.

"THE diminished use of Silver coin in various European countries, and the increasing production of our Silver Mines, would appear to render the present a very favorable time for procuring supplies of bullion for the manufacture of Silver coin to be used in the redemption of the fractional currency.

"So much of the Act of 14th January 1875 as relates to the purchase and coinage of Silver for redemption of fractional currency, has been put into partial operation, and is now being executed as rapidly as the exigencies of the case will admit. Since the passage of the Act 8,243,642 ounces of Silver bullion have been purchased, at an average price of $111\frac{4}{10}$ cents per standard ounce. The Mints have been put into active operation, and the aggregate amount of Silver coin now in the Treasury is 10,000,000 dollars.

"The Secretary has been urged to begin the work of resumption by issuing Silver coin in redemption of outstanding currency, and it has been insisted that, under the first section of the Act he has no discretion, but must issue the Silver coin as fast as it can be turned out from the Mints. While the Act requires the coinage to proceed as rapidly as practicable, it does not, in terms, require the Secretary to issue it at once; nor does it fix the period of time when the issue must begin. For obvious reasons, it has been, and yet is, impracticable to put or keep Silver coin in circulation. The present depreciation of currency below Gold precludes the probability that Silver would remain in circulation, and, therefore, it has been deemed impracticable to issue it for the present, or until, by the nearer approach of, or greater preparation for, general resumption, there shall be such an appreciation of the circulating currency of the country as would give assurance that the Silver coin to be issued would not be hoarded for shipment abroad, or converted into plate and jewellery, or reduced to bullion.

"The report of the Director gives valuable information in relation to the precious-metal Mines of the United States, and of the extensive developments recently made in the Pacific States. The mining industry of the precious metals appears to be in a very prosperous condition, and affords every reason to believe that the yield for the next four or five years will shew a marked increase over the production of recent years."

Appendix, No. 11.

PAPER put in by Mr. *Henry Waterfield.*

EXTRACTS from the Biennial Report of Mr. *H. R. Whitehill*, the State Mineralogist of the State of *Nevada*, for the Years 1873 and 1874.

United States and Territories.

THE discovery of the principal Silver mines in this country has been so recent, and so many reports have been written, that a reproduction of only a few facts here is necessary. Thirty years ago the annual production, as given by Dr. Lamborn, was 300 *l.* From 1849 to 1858 the average annual yield was 50,000 dollars; since that time there has been a constant increase. The estimate for the year 1874 is 40,000,000 dollars. Until the discovery of Silver in Nevada, its history in this country is of but little importance; since then the production of Silver has been so great that the mines of the Comstock are to-day more famous than those in countries where they have been worked for ages. Mr. R. W. Raymond, United States Commissioner of Mining Statistics, gives the following:—

Estimate of the Silver Product of the United States.

YEARS.	Amount.	YEARS.	Amount.
	Dollars.		*Dollars.*
From 1849 to 1858, $50,000 per annum	500,000	1866	10,000,000
1859	100,000	1867	13,500,000
1860	150,000	1868	12,000,000
1861	2,000,000	1869	12,000,000
1862	4,500,000	1870	16,000,000
1863	8,500,000	1871	23,000,000
1864	11,000,000	1872	28,000,000
1865	11,250,000	1873	35,000,000
		TOTAL	189,000,000*

Estimating the yield for 1874 at 40,000,000 dollars, we have the sum of 229,000,000 dollars produced in the United States since the year 1849. Since 1861, when our own mines began to yield, the production has been 228,150,000 dollars in Silver.

* * * * *

In the year 1846 the total yield of Silver in North and South America was 26,308,095 dollars; at the same time, the product of Europe, Asia, and Africa, excluding China and Japan, was 6,271,530 dollars. The production for 1874, in the entire civilised world, is about 65,000,000 of dollars.

The world's stock of precious metals (says Dr. Linderman, in his Report for 1874) is generally estimated at from 10,000,000,000 to 12,000,000,000 dollars, nearly equally divided as to the two metals. The estimate appears to be based on the assumption that the stock at the commencement of the 15th century amounted to 2,000,000,000, and that from 8,000,000,000 to 10,000,000,000 have since been added, principally from the mines of North and South America and Australia.

* * * * *

STOREY COUNTY.

At no time in the history of this county has the future permanency of mining operations been so well established. During the past two years marked improvements have been made in all classes of business and industrial pursuits; never before have the mines been so productive, nor real estate so valuable. The population of the county is now about 25,000; of this number 7,244 are registered voters. The assessed value of real estate and personal property for 1873 was 4,735,180 dollars, and for 1874 it was 4,959,540 dollars, being an increase in one year of 224,362 dollars. The market value of the mines called in the Stock Board at San Francisco, on December 22nd, was about 200,000,000 dollars, an increase of more than 100,000,000 in one month. The total value of bullion extracted in 1873 was 12,356,052 dollars and 29 cents, and in 1874 it was over 22,000,000 dollars, an increase in the production for the last year of nearly 10,000,000 dollars. It has been estimated, by competent persons, that the yield of the mines in this county for 1875 will reach the enormous sum of 40,000,000 dollars. The flourishing condition of the county for the past two years is chiefly due to the rich developments made in the Belcher and

* The figures make a total of 187,500,000 dollars.

Appendix, No. 11.

and Crown Point, and to the successful working of these two mines. The rapid increase in the value of the mines during the past month, and the estimated increase in the production of bullion for 1875, is warranted by the marvellous discovery of an unprecedented body of rich ore recently made in the Consolidated Virginia and California mines. In Virginia and Gold Hill many substantial buildings have been erected, both for business and for residences. The limits of both these places have been extended so that they are now united; what is known as the "divide" between these two places is covered with houses. A decided improvement is noticed in the mines all along the line. The lode has been prospected during the past two years to a much greater length and depth than before; work has been resumed on many abandoned locations; new and improved machinery has been introduced; new levels have been opened and less water encountered; more men, by at least 20 per cent., are employed; better grades of ore have been found and reduced at less cost; the per cent of Gold in the ore has increased in the average yield, while the per cent. of Silver has correspondingly decreased. So great has been the increase in the yield of bullion in this county, that the refining capacity of the Pacific coast is scarcely sufficient for its reduction, and it is thought that, in the future, a large amount will necessarily have to be forwarded to assay offices in the Eastern States. In view of the increased interest felt in mining operations in this county, I deem it proper to give a place in this report to the theories of Baron Richthofen, in regard to the mode of formation of the Comstock vein, and the ore-bearing character and distribution of ore. Indeed, some of the conclusions at which this learned gentleman arrived years ago seem now almost prophetic. He said, "No sound mind can therefore doubt the continuance of the fissure, and therefore of the vein, in depth;" and, again, "Some mines which have been heretofore almost unproductive, as the Central, California, Bullion, and others, have therefore good chances of becoming metalliferous in depth."

* * * * *

"Continuity of the Comstock Vein in Depth.

"The problem which, above all others, occupies at present the minds of miners, stockholders, and speculators, in Washoe, is, whether the Comstock lode will continue in depth, and, if it does, whether it will be productive. And these questions are, indeed, of the highest importance for the future of the country, and ought so much more to be considered with care, as on their solution depend the means which will have to be applied for securing future prosperity and profits.

"It was proved in the foregoing pages that the Comstock lode presents, in all respects, the character of a true fissure vein, and these in such perfect degree as but few veins of this class exhibit. It was furthermore proved that the mode of its formation can only be explained in one way, namely, by solfataric action, connected with the outbursts of trachyte. No theory but this is able to explain the origin of the vast quantities of vein matter, the profuse diffusion of ore through it, the abnormal quantitative proportion of the metals in the ore, the thorough decomposition of the eastern country for two miles in width, the mode of distribution of the ore in the vein, and the formation of the 'horses' which obstruct it in many parts.

* * * * *

"Ore-bearing Character and Distribution of Ore.

"Some unfavourable developments, made recently on the Comstock vein, have induced even those who believed in its continuity to have some doubt in regard to its carrying any ore in depth. The question is of great importance, and one in regard to which one may easily arrive at too sanguine views if mines are 'in bonanza,' and just as easily at too unfavourable results when they are 'in borasca.' A short review of some facts observed in other Silver Mines may assist us in drawing conclusions for the Comstock vein.

"In no branch of mining are the vicissitudes of this industry so conspicuous as in Silver mining. Princely fortunes have been made by it in the shortest time, and equal amounts spent in vain search of fortunes. The history of the Mexican mines, as chronicled by Humboldt and Ward, furnishes remarkable illustrations, but they would possess a still higher degree of interest if an equally able historian could be found, in modern times, who might add those developments which have taken place during the present century. We are told of mines which, after having yielded immense wealth, were abandoned because no more profits could be obtained, and then, after a long lapse of time, were reopened by enterprising individuals, and anew poured out treasures from below where they had been worked before, then were left again, and successfully reopened a third time. The causes of abandonment were either deterioration of the ore or the impossibility of making the returns exceed the expenses of keeping the water down, or lawsuits, or, finally, political circumstances. The success of reopening was, in the two first cases, either due to the improvement of the ore at some lower level, or to the introduction of cheaper modes of drainage, partly by improved machinery, and partly by adit levels.

"The Valenciana mine, on the Veta Madre of Guanajuato, was opened in 1760, on a part of the vein on which some work had been done in the sixteenth century, and which afterwards had been neglected as unpromising for almost two centuries. In 1768, a rich 'bonanza' was struck at a depth of 240 feet, from which 1,500,000 dollars were extracted annually. Still, from 1788 to 1810, the yearly produce averaged 1,383,195 dollars.

lars. A town of 7,000 inhabitants was built near the mine, and 3,100 people were occupied by the latter. A large octagonal shaft was sunk to upwards of 2,000 feet, and the mine explored by it in lower parts. But the rich ore extended only to a depth of 1,200 feet, below which it was then too poor for extracting. In 1810 the mine filled with water. Fifteen years later, the Anglo-Mexican Company, with a considerable outlay of money, freed the mine of water, but the ores gave no profit on account of the expenses of keeping the water down. It is now owned by the United Mexican Company, and for a number of years has yielded immensely by the large amounts of low grade ores which fill the vein.

"The Veta Grande, at Zacatecas, which from 1548 to 1832 yielded about 666,000,000 dollars, occurs in propylite, as does the Comstock lode, and has a similar structure, the vein branching out towards the surface, and descending at an angle of about 45 degrees. Its width is inferior to the Comstock vein, being generally not more than from 1 to 33 feet, and at only one place increasing to 80 feet. It has clay selvages and incloses large fragments of country rock. The ore in the upper levels was concentrated in chimneys, and rich, but with increasing depth it became poorer, though at the same time it was distributed through a much larger extent of the vein. The ore for some time could not be worked with profit, but at present the production of Zacatecas has again reached a very high figure.

"In these two instances the ores are poorer in the lower portions of the lode, but more equally distributed, and it is the immense quantity of low-grade ores which causes its great productiveness. It is noteworthy that the character of the ores changes in no other respect. They remain true Silver ores through all the levels. Many other mines offer the same conditions, particularly those in the central part of Mexico. It is different in the northern provinces. The Silver Mines there are famous for the large amounts of native Silver which they produced near the surface, and the quantity of rich ores which were raised from them. They, too, have poorer ores in depth, but this poverty is due to the increasing predominance of lead over the Silver in the veins. The same is true of the Silver Mines in the Carpathian Mountains, all of which are in propylite, and resemble the Comstock vein in many respects. The vein of the Grossgrube, in Felsobanya, is almost its counterpart. This mine, as well as those of Schemnitz, is said to have yielded immensely in former times, though worked with imperfect processes. Extensive chimneys of ore have been entirely removed by the Romans. In depth the ore is exceedingly poor, so as to yield but a small profit with the economical mode of working proper to European countries. But this deterioration is chiefly due to the prevalence of the ores of lead and copper in lower levels, true Silver ores being of rare occurrence. At the same time the ores become more equally distributed through the entire vein matter, though they still form in it small seams and bunches.

"Other mines retain an equal yield of Silver at every depth. Those at Freiberg, though having their 'bonanzas' at different levels, have on the whole rather improved with an increase in depth. Those of Königsberg, in Norway, had their temporary 'bonanzas' as far down as 1,800 feet, the lowest level reached, and have in later times yielded more profits than formerly. Those of Catorce, and several other places in Mexico, show likewise no decrease in yield, and have excellent ores at 1,800 and 2,000 feet in depth. Many other mines of the same nature could be mentioned.

"It would occupy too much of our space to enter more fully into the details of other argentiferous veins. If we proceed to compare the Comstock vein with those best explored, it is evident that it differs in nature from a certain class of narrow veins, which, as those of Freiberg, Königsberg, Chanarcillo, in Chili, Pasco, in Peru, Catorce, in Mexico, and Austin, in Nevada, fill a number of small fissures, which are either parallel, or intersect each other, and which exhibit in depth nearly the same character and richness as near the surface. It presents, on the contrary, all the characters of a second class of Silver veins, which are prominent on account of their magnitude and unity, and exhibit, wherever they occur, one great mother vein, or 'veta madre,' surrounded in most instances by some smaller veins of little or no importance. To this class belong the veins of Schemnitz and Felsobanya, in Hungary, the Veta Madre of Guanajuato, the Veta Grande of Zacatecas; while the veins of Potosi, in Peru, and the Biscayna of Real del Monte, in Mexico, have to be referred more to this than to the former class. Notwithstanding their small number, these great mother veins furnish by far the greater portion of Silver produced throughout the world. They resemble each other in many points. All of them fill fissures of extraordinary width and length, and appear to be of very recent origin, and also to be intimately related to volcanic rocks, by which they are accompanied. Although the laws which govern the distribution of the ore differ more or less for each vein, yet all of them have been found to be highly metalliferous, to whatever depth explored; and it appears that a nearly equal quantity of Silver is, with most of them, contained in each level (the vein of Guanajuato being an exception to this rule). It may be inferred that this will continue to be the case to an indefinite depth. There is, however, a marked difference in the concentration of Silver, ores of extreme richness being usually accumulated in limited bodies in the upper levels, while in depth similar bodies recur, greater in extent, but consisting of lower grade ores. This is one of the principal reasons why, on all the veins mentioned, mining in upper levels has been so highly remunerative compared with the profits derived from deep working. Each ton of ore costs there but little to extract, and yields a large amount of metal, while raising the same weight from a greater depth is more expensive, and at the same time a smaller

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amount of bullion is realized. The history of the Mexican mines is the best illustration of these relations. In former centuries, counts and marquises have been made by the King of Spain whenever fortune enabled a single individual to accumulate enormous wealth in a few years. Mining then was confined to rich ores within a few hundred feet of the surface. In the present century, since greater depths have been reached, the Spanish Crown, if it had still the sceptre of Mexico, would scarcely have found an opportunity of bestowing equal honours on fortunate mining adventurers, notwithstanding the unabated enterprising spirit of the population, and the increased facilities of raising the treasures. And yet the production of the Mexican mines has anything but decreased. It appears, on the contrary, that it has never been as high as at the present time. Humboldt states that vastly the majority of the annual production of Mexico has, through all times, been derived from the mother veins alluded to above; and still at this day they furnish at least three-fourths of it, though each of them has repeatedly been abandoned as unprofitable. They would be inexhaustible sources of wealth if the increase of expenses attending the growing depth did not put a limit to all profitable mining.

"The equality of produce of the Mexican mines is probably partly due to the prevalence of true Silver ores through all levels. The Hungarian mines offer less favourable conditions, as the ores, on account of the previously mentioned increase of lead and copper in depth, undergo a real deterioration. They have evidently had at upper levels their concentrated bodies of rich ore. Such have been extracted at Schemnitz, within the time of historical record, while their former existence at Felsobanya may be inferred from the shape and character of the old Roman works near the outcroppings.

"Let us now return to the Comstock vein, the 'Veta Madre' of Washoe, and examine what conclusion as to its future we are justified in drawing from the present condition of the exploration. In the first place, we have to mention the fact that the ores, through all the levels explored, retain the character of true Silver ores which they had near the surface. The amount of lead, copper, iron, and zinc has never been large in the Comstock ores, and these metals preserve now at the lowest levels, nearly the same relative proportion as formerly. Their increase, especially of lead, would be the most unfavourable indication for the future of the Comstock lode, as, besides the growing difficulty of metallurgical treatment, the conclusion would be justified that lead ores would more and more replace those of Silver, and the limits of profitable productiveness would soon be reached. But, as it is, no deterioration is to be expected, even if an impoverishment takes place. It thus approaches in its ore-bearing character the great mother veins of Mexico, and is different from those of Hungary.

"But even the reasons for an impoverishment are by no means so evident as might appear at first sight. There have been, it is true, bonanzas near the surface, which surpassed in richness all those worked upon in later times. As such may be mentioned the bonanzas of the Ophir, the Gould and Curry, and the western body of ore in Gold Hill. Their richness and the facilities of their extraction co-operated in making the latter exceedingly profitable; yet the production of the Comstock vein did, at the time when it was solely derived from these surface bonanzas, not reach the figure it attained after the exhaustion of their principal portion. One of the reasons is, that then the ore was concentrated within narrow limits, while, as a greater depth was obtained, the distribution of the ores was much more general, though their standard was lower. New bodies of ore had been discovered, commencing at a depth of 150 to 300 feet below the surface, such as the continuous sheets of ore in the eastern part of the lode in the Gold Hill mines and the Yellow Jacket, and the similarly constituted one in the Chollar-Potosi. None of them contains, except a few narrow streaks or bunches, ores of equal richness with those of which the surface bonanzas were composed. But their extent so far exceeds that of the latter, as to make up, by the increased amount of daily extraction, for the inferior yield. The profits of working are, of course, greatly diminished.

"These bodies of ore have continued to the deepest levels reached in the Comstock mines, varying in width and extent, and also in their yield. The latter did not increase, but, in some instances, as in the southern part of Gold Hill, decreased with the growing width of the deposit, while, in others, no material change is perceptible. Few new bodies of ore made their appearance below the level of 300 feet. Foremost in importance among them are two bodies discovered at 700 feet below the surface, by the Hale and Norcross works, one of which is on ground supposed heretofore to be unproductive.

"Considering these facts exhibited by the Comstock vein itself, and comparing with them what is known about similar argentiferous veins, we believe ourselves to be justified in drawing the following conclusions:—

First. That the continuity of the ore-bearing character of the Comstock lode, in depth, must, notwithstanding the local interruptions, be assumed as a fact of equal certainty with the continuity of the vein itself.

Second. That it may positively be assumed that the ores of the Comstock lode will retain their character of true Silver ores to indefinite depth.

Third. That it is highly probable that extensive bodies of ore, equal in richness to the surface bonanzas, will never recur in depth.

Fourth. That an increase in size of the bodies of ore in depth is more probable than a decrease, and that they are more likely to increase than to remain of the same size as heretofore.

Fifth.

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Fifth. That a considerable portion of the ore will, as to its yield, not materially differ at any depth from what it is at the present lower levels, while, besides, there will be an increasing bulk of low grade ores. We are led to this supposition by the similarity in character of all the deposits outside the rich surface bonanzas, and the homogeneous nature which almost every one of them exhibits throughout its entire extent.

Sixth. That the ore will shift at different levels from certain portions of the lode to others, as it has done up to the present time. More equality in its distribution may, however, be expected below the junction of the branches radiating towards the surface, when the vein will, probably, fill a more uniform and more regular channel. Some mines which have been heretofore almost unproductive, as the Central, California, Bullion, and others, have therefore good chances of becoming metalliferous in depth; but, throughout the extent of the vein, it is most likely that the portion which lies next to the foot wall will continue unproductive, as it did from the surface down to the lowest works, while the entire portion between it and the hanging wall must be considered as the probable future source of ore. As remarked in the foregoing pages, it is also probable that repeatedly, in following the lode downward, branches will be found rising from its main body vertically into the hanging wall, and consisting of clay of quartz. Many of them will, probably, be ore-bearing. Such bodies of ore should be sought for, in all the mines, in what is generally supposed to be the eastern country. Experience in upper levels would lead to the supposition that such eastern bodies might carry richer ores than the average of the main portion of the vein.

Seventh. That the intervention of a barren zone, as is reported by good authorities to occur at the Veta Madre of Guanajuato at the depth of 1,200 feet, is not likely to be met with in the case of the Comstock lode. The argument which we have to adduce for this conclusion has some weight from a geological point of view. It is a well known fact that the enclosing rocks have usually great influence on the quantity and quality of the ores of certain metals in mineral veins, and that a rich lode, passing into a different formation, frequently becomes barren or poor. At the Veta Madre of Guanajuato, a sudden decrease in the yield of ore, at the depth of 1,200 feet, attends the passage of the lode into a different formation, which, from thence, continues to the lowest depth attained. No such change can ever be anticipated for the Comstock lode, since the structure of the country seems to indicate the continuity of the inclosing rocks to an indefinite depth.

"In winding up these considerations, we come to the positive conclusion that the amount of nearly 50,000,000 dollars which have been extracted from the Comstock lode is but a small proportion of the amount of Silver awaiting future extraction in the virgin portions of the vein, from the lowest levels explored down to indefinite depth; but that, from analogy with other argentiferous veins, as well as from facts observed on the Comstock lode, the diffusion of Silver through extensive deposits of middle and low grade ores is far more probable than its accumulation in bodies of rich ore."

* * * * *

Crown Point.

The history of this mine for the past two years is very similar to that of the Belcher. Joining that mine on the north, the same "bonanza" has been worked at the same depths, and, next to the Belcher, this has been the most productive mine on the Comstock lode. It has been worked with great skill and economy, and no management of a mine in this district has ever given better satisfaction to the stockholders.

* * * * *

Average yield per ton for the year.

There were 140,129$\frac{110}{2000}$ tons of ore worked, yielding $. 7,141,736. 46, making average yield per ton of $. 50. 96½.

Cost of working ores.

Average cost of working 140,129$\frac{110}{2000}$ tons of ore, $. 11. 85 per ton.

Cost of mining.

Total cost of mining 140,937$\frac{910}{2000}$ tons of ore, including all cost of running drifts, repairs to shafts and machinery, pumping, &c., $. 9. 24 per ton.

Bullion statement.

Stamped Value of Bullion, as per Assay Certificates received at the Office in San Francisco, credited on the Books of the Company.

	$.	c.
Value in Gold	3,107,325	74
Value in Silver	4,018,935	32
Assay, grains and chips	17,634	97
Reclamation, Belcher Silver Mining Company	275,000	00
Wrecked cars, ores lost, V. & T. R. R. Company	378	84
	7,419,274	87
Contra.		
Reclamation on bars, computed at standard value	2,159	57
TOTAL $.	7,417,115	30

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* * * * * *

Year.	Tons.	Bullion Yield.	Dividends.
		$. cts.	$. cts.
1871 - - - - -	35,068·8220	1,126,188 05	—
1872 - - - - -	110,761·1810	4,598,849 36	1,080,000 00
1873 - - - - -	142,283·0610	8,317,260 18	5 400,000 00
1874 - - - - -	169,824·0339	6,752,735 77	3,300,000 00
Totals - - -	457,937·0979	20,795,033 36	9,780,000 00

Belcher Mine.

The main shaft in this mine has reached a depth of 1,570 feet, with an incline of 36 degrees from the 1,000 foot level. A new air shaft, to take the place of the one destroyed by fire in October last, has been commenced, and has reached a depth of 150 feet from the surface. It will connect with an upraise from the 850 foot level. During the past two years this has been the most productive mine ever known in the history of the world. When we consider that the annual average yield of the great Potosi mines, during the period of their greatest productiveness, was 12,000,000 dollars, and that this yield was from nearly 2,000 different mines, located on 32 principal veins and a number of smaller ones, we can point with a very great degree of pride to the history of the Belcher mine for the years 1873 and 1874. During the former year this mine yielded 10,797,171 dollars and 7 cents, and during the latter year 9,165,889 dollars and 50 cents. Estimating the value of the assay beads for the two years at 100,000 dollars, we have the sum of 20,045,060 dollars and 57 cents produced by this mine in two years. The ore has all been raised from and below the 1,000 foot level. In addition to the Belcher shaft, the Yellow Jacket shaft has been used a portion of the time for hoisting purposes, an average of 441½ tons being raised daily. The mine at present is yielding about the same number of tons of ore, though its value has considerably decreased, and, unless richer bodies of ore than those being worked are encountered, the record of the mine will not be so brilliant in the future. From the superintendent's report for 1873, the following extracts are made; no report for 1874 has yet been made:—

"During the year ending 31st December 1873, there have been extracted from the different levels of the mine, 156,000 tons of ore.

* * * * *

"Careful estimates of the quantity of ore yet remaining in the mine show that there are at least 150,000 tons."

——	Tons.	Per Ton.	Bullion.	Dividends.
		$. cts.	$. cts.	$. cts.
1871—5 months - -	18,468	64 93	1,199,134 87	—
1872 - - - -	83,195	57 63	4,794,659 10	2,184,000 00
1873 - - - -	154,664	69 69	10,779,171 07	6,760,000 00
Totals - - -	256,327	65 40	16,772,965 04	8,944,000 00
Value in Gold - -	- -	- -	9,439,718 44	—
Value in Silver - -	- -	- -	7,244,943 60	—
Assay grains - -	- -	- -	88,303 00	—
Totals - - -	- -	- -	16,772,965 04	—

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Bullion Statement.

Stamped Value of Bullion, as per Assay Certificates.

	$.	cts.
Value in Gold	5,725,247	50
Value in Silver	5,009,520	51
Assay grains	44,403	06
$.	10,779,171	07
Number of ounces bullion refined	4,173,535$\frac{74}{100}$	
Average fineness in Gold	66$\frac{1}{2}$ thousandths.	
Average fineness in Silver	929 thousandths.	
	$.	cts.
Value per ounce in Gold	1	37$\frac{19}{100}$
Value per ounce in Silver	1	20$\frac{2}{100}$
Value of Bullion per ounce $.	2	57$\frac{21}{100}$
Average value per ton in Gold	37	16
Average value per ton in Silver	32	53
Total Value per Ton $.	69	69

Ore Statement for 1874.

Ore Statement for 1874.

Months.	Tons.	Bullion.		Dividends.
		Dols.	*cts.*	*Dols.*
January	14,406	1,067,674	93	520,000
February	15,584	983,941	71	520,000
March	15,093	895,461	98	520,000
April	16,233	988,985	77	520,000
May	15,147	796,691	08	520,000
June	12,512	667,148	41	520,000
July	12,289	695,055	40	520,000
August	13,849	975,613	77	416,000
September	12,291	589,584	01	312,000
October	14,791	622,903	38	312,000
November	12,344	457,452	04	312,000
December*	11,538	425,353	02	312,000
Totals	166,077	9,165,889	50†	5,304,000

* Estimated. † The detailed figures make a total of 9,165,865 dols. 50 cents.

* * * * * *

Consolidated Virginia.

This claim includes the locations formerly known as the Sides and White and Murphy ground, 730 feet in both. Two years ago new hoisting works were erected, and the old shaft on the Sides was repaired and sunk to the depth of 525 feet; since that time the shaft has been sunk 1,025 feet, having reached a depth now of 1,550 feet. Such rapid progress has been made by reason of there being no water with which to contend, the ground being drained by the Gould and Curry and Curry and Ophir pumps. The mine has been connected with the Ophir on the 1,300-foot, 1,400-foot, and 1,500-foot levels, and with the Gould and Curry on the 1,200-foot and 1,500-foot levels; connection will also be made with the latter mine on the 1,700-foot level. During the past two years this mine has yielded bullion to the value of 5,000,000 of dollars, the principal of it since last June. The yield for September was 562,000 dollars, and for October 610,000 dollars. The daily yield of the ore is about 400 tons; about 44 per cent. of the value of the bullion is Gold. Rapid prospecting is being done on the 1,500-foot level. Cross cuts are being run easterly through the great body of rich ore discovered on this level. The first cross cut is east of the main shaft, and 14 feet south of the California line. It passes through ore here, the average assays of which give 600 dollars per ton. The next cross cut is 118 feet south and east of the main drift. It passes through ore assaying 200 dollars per ton. This cross cut is 210 feet in length, with no evidence of the east wall in sight. In

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another cross cut, still further south, the ore body is 140 feet wide. Here they have the west wall, and have reached a block of clay in the east end, which is undoubtedly the east wall. This clay shows the ore body bearing 45 degrees east of north. Fifty feet below the 1,500-foot level comes in a drift from the Gould and Curry; this constitutes what is called the 1,550-foot level. Two winzes have been raised from this, and some drifting done, showing everywhere the same rich ore that is found above. No ore has been extracted from these lower levels but that which comes out of the openings made; it all stands there in immense blocks of virgin ground. It is estimated that there are standing in the mine, above the 1,550-foot level, over 43,000,000 of dollars' worth of ore; below, it is as yet incalculable. The following interesting description is from the "Enterprise":—

"*The Heart of the Comstock.*

"The Consolidated Virginia Mining Company are beginning to open up and lay bare some of the secrets of the northern end of the great Comstock lode. Their location is proving a most fortunate one; yet, strange as it now appears, this same ground lay idle for years. It was then in the shape of several small claims, upon which work had ceased after the first excitement of the early days of Washoe. These claims were knocking about in the market, and nobody was found to purchase them, or even to look at them. Upon all of them a considerable amount of work had been done at the surface, and in a line with the Ophir and the out-croppings of the Gould and Curry. But little pay-ore was found in any of the claims, and the companies owning them became discouraged, and discontinued their prospecting explorations. At that time the opinion very widely prevailed, that where nothing of value was found on the surface, nothing need be looked for below; and the owners of the set of small claims lying between the Ophir and Gould and Curry sorrowfully came to the conclusion that, by bad luck, a barren portion of the great ledge had fallen to their share. Years ago, in these columns, long before there was any Consolidated Virginia Company, we urged these small companies to unite, and sink a large prospecting shaft on E Street, just east of Piper's Opera House; but no attention was paid to the suggestion, at least not by the men who then owned the ground. All that we then predicted in regard to this piece of mining ground has now been verified. There was a fault, a slip, in the lead above, and the whole weight of the deposit was thrown further to the east. Although we have spoken of the break in the lead as a fault or slide, it was really in places more of the nature of a 'pinch;' and this was what cut off the old Ophir deposit at a certain depth. Now they are reaching the great lode on a new and sound line, and being below the disturbing influences mentioned, are finding a continuous body of ore. This body is now known to extend from the Gould and Curry through the Consolidated Virginia, California, and Ophir, to the Union Consolidated. It will yet be found in the Union Consolidated, and probably beyond. The heart of this portion of the Comstock, in our opinion, lies to the eastward of the gasworks, and probably almost directly under the point where General Thomas H. Williams, some time since, was engaged in boring with his diamond drill. We think he 'smelt it' when he began boring there. The Consolidated Virginia Company are on the upper edge of the great deposit, lying under the basin in which are situated the eastern suburbs of the city, and are now beginning to reach some of the rich ore which it contains. In early days many of our miners were of the opinion that, in the course of time, a point in the lead would be reached where would be found almost solid Silver. At a further depth of 400 or 500 feet in their mine, the Consolidated Virginia Company may reach a point where their ore will lack but little of being solid Silver. There appears to be lying far down in this portion of the lode a perfect mountain of Silver ore. Specimens brought up from the drift running into the Consolidated from the 1,500-foot level of the Gould and Curry, are even now almost solid masses of Silver. The reporter of the 'Gold Hill News,' who visited this newly-opened section of the Consolidated Virginia Mine, gives the following account of it:—

"'This drift, after reaching the Consolidated Virginia south line, and being connected with the 1,500-foot level of that mine by an air winze, the Gould and Curry drift being 38 feet lower down than the south drift from the Consolidated Virginia shaft, was pushed directly ahead to prospect the ore vein on that level. Hardly had the line been crossed before the drift encountered a body of rich sulphuret ore, second to nothing of the kind now known to exist on the Comstock lode. The drift has penetrated this body of ore 110 feet, with every indication of its extending the entire length of the claim, and even into the California ground. To attempt a fair description of the rich character of the ore is almost useless, the sides and face of the drift being one glittering mass of sulphurets mixed with the richest character of chlorides. Much of this ore is being sacked, and a portion of the amalgamating department of the Mariposa Mill is to be set apart for its reduction, its extreme richness often requiring the use of 500 and 600 pounds of quicksilver to a charge for a single pan, where only 200 pounds is used in working the ordinary class of ores. No cross-cutting of this body has yet been attempted, as all the air forced in by the compressor is required to drive the Burleigh drills in the face of the drift. The exhibition of the precious metals displayed in the face, when a blast of half-a-dozen holes is discharged, is simply grand, and one that would cause the eyes of a miser to weep with joy. Two upraises have been made, 100 feet apart, for air connections with the 1,500-foot drift south of the shaft, both of which passed the entire distance through the same rich character of ore. The future prospects of the Consolidated Virginia, judged by

by its present developments, are not only almost without an estimate, but every drift run, in fact almost every stroke of the pick made, seems to be adding to its already immense wealth.' "

An ore-house, assay-office, superintendent's office, and other needed buildings, have been erected. New machinery has been added, and many minor improvements have been made. Everything about the mine is in splendid condition and good working order. The company are erecting, on their ground in Virginia, near the mine, a large 60-stamp mill, capable of crushing 250 tons of ore daily. This mill, when completed, will be one of the largest and most complete in the State. The following description of it is taken from the "Independent":—

"Some three months since, the Consolidated Virginia Mining Company commenced the erection, in connection with their hoisting works in this city, of an immense steam mill for the reduction of Silver ore. Slowly and surely has it been assuming shape and completion. It is the largest steam Silver mill on the coast, and, from the completeness of its arrangements and its conveniences for handling and reducing ores, it will be found to excel more in capacity than in size and dimensions and the number of stamps."

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California.

The mines formerly known as the Central, California, Central Number Two, and Kinney, have been consolidated, and are now known as the California. This consolidation comprises 600 feet on the Comstock lode. There are 108,000 shares, or 180 shares to the foot. Until quite recently the California was considered of little or no importance. No work was done upon this mine for years. At an early day in the history of these mines some ore was extracted from the Central, from the continuation of the ore deposits worked on the Ophir, and large bodies of quartz were found extending to the lowest levels, 428 feet in depth, of the California; but the ore was in bunches, and not very rich. Since the resumption of work on the Consolidated Virginia—and levels have been run from the mine to the Ophir—an opportunity was given for prospecting the California Company's ground, which otherwise would not have been done for years to come. The discovery of rich ore in this mine was the result of the developments made in the Consolidated Virginia. The same body of ore extends from one mine to the other, and how far beyond is not yet determined. It is known to extend the whole length of this mine, and is from 200 feet to 400 feet in width, and it would seem from present developments that the "bulge," or main body of the "bonanza," lies in the California. The first discovery of this ore was made on the 1,500-foot level, 14 feet south of the California line. The ore here averages 600 dollars per ton. In a drift on the northern line of the California, and about 10 feet below the 1,500-foot level the richest portion of the ore is found. It is said to average here 1,200 dollars per ton, selected specimens assaying over 8,000 dollars per ton. It has been estimated, by reliable persons, that this "bonanza" will yield over 100,000,000 dollars. It would seem, from the present value of the stock of this company, and of the Consolidated Virginia, that the fortunate owners of it expect that much, or more, in dividends. On the 21st of December sales of stock in these two companies were made in the Stock Board at San Francisco at over 500 dollars per share. As there are 216,000 shares in both mines, the market value on that day was over 108,000,000 dollars. This is something wonderful, when considering that the market value of the same mines scarcely two months before was but a little over 15,000,000 dollars. There was an advance in the price of these mines, in less than two months, of over 93,000,000 dollars.

* * * * * * *

It is quite probable that the California Company will erect a large mill during the coming summer in the vicinity of their mine; indeed it will be almost a matter of necessity with them to do so, for most of the mills in the county and on the Carson river are engaged, to their full capacity, in crushing ore from other mines. The developments made in this mine and the Consolidated Virginia far surpass, in extent and richness, those made in the Belcher and Crown Point mines two years ago. This is the richest and largest body of ore ever discovered on the Comstock lode. The only one approaching it in character and richness was that found in the old Mexican mine many years ago.

* * * * * * *

Conclusion.

The past two years have been a period of unexampled prosperity in the history of this State, and at no time have the prospects for future success been so encouraging. Dependent, for the most part, upon the products of the mines, the fortunes of Nevada are at all times liable to the fluctuations incident to mining; bodies of ore are exhausted, and some time must necessarily elapse before other bodies are discovered; but, at present, such a wealth of the precious metals has been disclosed in the mines upon the Comstock lode, that many years will have passed before it can be exhausted. Competent persons have estimated the value of the ore now in sight in the Consolidated Virginia and California mines at more than 100,000,000 dollars, and yet these two mines occupy only about 1,300 of the 22,000 feet located and worked on the same lode. It has also been estimated that the product of all the mines in the State for 1875 will reach

 50,000,000 dollars,

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50,000,000 dollars, and this is but the commencement of a new era in the mining interests of this State. From the present indications our mining resources are, practically, without limit, and, with one of the most industrious and bravest populations to be found in any country, no uneasiness need be felt in the decay of mining enterprises in Nevada. No safer investment for capital can be made where such speedy and remunerative results are obtained. The fruits of our mines have made thousands of men wealthy, and have built a hundred palaces more gorgeous than those of ancient story, and still our army of courageous prospectors are searching on every mountain slope and in every deep ravine for the stores of wealth which Nature has so lavishly bestowed upon this section of our fair land. Many old districts are being reorganised, and abandoned claims re-located, while those at work, with rare exceptions, are greatly cheered with anticipations of a brighter future.

The present population is estimated at about 75,000. The number of votes cast at the last general election was 18,094, being 4,000 votes more than was ever before polled in the State.

SUMMARY.

Counties.	1871.				1872.			
	Quantity.		Amount.		Quantity.		Amount.	
	Tons.	*lbs.*	*Dols.*	*cts.*	*Tons.*	*lbs.*	*Dols.*	*cts.*
Elko	5,904	1,000	614,947	27	10,698	1,000	493,369	76
Esmeralda	3,028	910	137,079	29	3,866	466	115,222	61
Humboldt	21,168	195	529,958	38	22,279	169	481,488	47
Lander	35,995	815	2,099,013	91	59,160	457	2,760,087	01
Lincoln	33,678	1,934	3,604,833	47	55,100	183	5,466,340	57
Lyon	153,330	1,500	691,602	40	239,905	0	695,502	64
Nye	3,687	640	464,770	27	2,811	780	387,394	53
Storey	444,552	1,858	10,644,704	03	422,968	990	12,630,675	15
Washoe	0	0	-	-	10,052	0	53,661	05
White Pine	44,235	1,749	1,223,266	10	27,516	401	738,498	08
Totals	747,582*	601	20,010,175	12	854,457†	446	24,722,249‡	87

* The detailed figures make a total of 745,582 tons 601 pounds (reckoning 2,000 pounds to the ton).
† " " " 854,357 tons 446 pounds.
‡ " " " 23,822,239 dollars 87 cents.

Counties.	1873.				1874. First, Second, and Third Quarters.			
	Quantity.		Amount.		Quantity.		Amount.	
	Tons.	*lbs.*	*Dols.*	*cts.*	*Tons.*	*lbs.*	*Dols.*	*cts.*
Elko	7,596	0	262,968	68	4,137	0	114,495	35
Esmeralda	4,935	1,618	324,591	63	2,409	1,403	191,606	61
Eureka	70,724	518	2,677,226	80	39,087	1,942	1,519,960	81
Humboldt	19,828	500	342,193	86	11,529	5	184,453	20
Lander	5,200	199	743,368	21	5,112	774	646,013	06
Lincoln	68,234	1,279	3,741,497	64	74,810	838	1,374,738	66
Lyon	148,738	1,600	703,899	55	67,142	0	409,122	58
Nye	11,879	1,833	758,756	89	6,004	1,443	287,278	36
Storey	486,589	970	21,940,123	96	388,045	112	17,239,821	73
Washoe	13,618	0	68,353	71	5,910	0	26,449	23
White Pine	19,439	1,509	494,596	85	9,188	1,335	376,889	66
Total	856,785	26	32,057,577	78	613,3761,852		22,370,829	25

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PAPER put in by Mr. *Henry Waterfield.* Appendix, No. 12.

PACIFIC COAST.

EXTRACT from the "San Francisco Journal of Commerce and Price Current," of 12th January 1876.

Correct statistics of the production of the precious metals are of the greatest importance to the financial world, but on this coast they are particularly difficult to gather. The owners of mines are, in many instances, unwilling to give information on this point, and the statistics published by the Government are no better than guesses, some of them sufficiently wild; the estimates of the Director of the Mint and of the Commissioner differing from each other in particular instances by several millions of dollars. The only basis on which to go to work to compile such statistics is that furnished by the reports of Wells, Fargo, and Co. The report of John J. Valentine, their superintendent, gives the totals for 1874 and 1875, which are as follows:—

"To the Editor of 'The San Francisco Journal of Commerce.'

"San Francisco, 30 December 1875.

"WE enclose you herewith a copy of our Annual Statement of Precious Metals produced in the states and territories west of the Missouri river, including British Columbia and the west coast of Mexico, during 1875, which shows an aggregate yield of 80,889,037 dollars, being an excess of 6,487,982 dollars over 1874, the greatest previous annual yield in the history of the coast. Nevada, Colorado, Mexico, Oregon, British Columbia, Montana, and Arizona increased, while California, Idaho, Utah, and Washington decreased. The increase is actual, except for Mexico, Oregon, and Arizona, where it is apparent rather than real, as compared with other years, a regular product being accounted for and reported herein, hitherto omitted. The decrease in California was, in the main, occasioned by a stinted supply of water for placer and hydraulic mining. The increase in Colorado and Nevada is notable; also the fact that Nevada yields more than half of the whole product of the country. Professor R. W. Raymond credits New Mexico (omitted in our statement) and Arizona combined, with 987,000 dollars, which is a liberal allowance. We have been unable to obtain any data that justifies a showing so favourable. Present prospects indicate an aggregate yield of 90,000,000 dollars for 1876, of which Nevada will doubtless produce 50,000,000 dollars.

"Respectfully yours,
"*J. J. Valentine,*
"General Superintendent."

STATEMENT of the Amount of Precious Metals produced in the States and Territories west of the Missouri River during 1875.

STATES AND TERRITORIES.	Gold Dust and Bullion by Express.	Gold Dust and Bullion by other Conveyances.	Silver Bullion by Express.	Ores and Base Bullion by Freight.	TOTAL, 1875.	TOTAL, 1874.
	Dols.	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*
California	14,842,010	1,484,201	387,768	1,039,172	17,753,151	20,300,531
Nevada	196,858	19,685	35,283,193	4,978,633	40,478,369	35,452,223
Oregon	759,133	405,913	- -	- -	1,165,046	609,070
Washington	74,517	7,415	- -	- -	81,932	155,635
Idaho	1,163,698	116,369	230,835	44,000	1,554,902	1,880,004
Montana	2,235,609	500,000	88,000	750,000	3,573,609	3,439,498
Utah	43,686	4,368	764,041	4,875,399	5,687,494	5,911,278
Arizona	23,500	- -	- -	85,593	109,093	26,066
Colorado	2,627,444	- -	2,610,266	1,062,107	6,299,817	4,191,405
Mexico	68,117	- -	1,716,184	624,370	2,408,671	798,878
British Columbia	1,615,412	161,541	- -	- -	1,776,953	1,636,567
TOTAL - - - *Dolls.*	23,649,984	2,699,492	41,080,287	13,459,274	80,889,037	74,401,055

This, of course, includes principally the treasure passing through the hands of this firm, and is exclusive of all that finds its way east through other channels. What the amount of this is it is very difficult to say; in making our estimates we have been guided by those of the papers of the sections. In regard to those years not included in estimates made by Wells, Fargo, and Co., we have made up our estimates after a careful

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review of all that has been printed on the subject. Our estimates for the present year are as follows:—

	Dols.
California	26,000,000
Nevada	45,000,000
Montana	4,000,000
Idaho	2,500,000
Oregon and Washington	1,500,000
Utah	10,000,000
Other Territories	11,000,000
TOTAL - - - *Dols.*	100,000,000

The following Table shows the production of Gold and Silver on the coast since 1848:—

YEAR.	GOLD.	SILVER.	TOTAL.
	Dols.	*Dols.*	*Dols.*
1848	5,000,000	- - -	5,000,000
1849	23,000,000	- - -	23,000,000
1850	59,000,000	- - -	59,000,000
1851	60,000,000	- - -	60,000,000
1852	59,000,000	- - -	59,000,000
1853	68,000,000	- - -	68,000,000
1854	64,000,000	- - -	64,000,000
1855	58,000,000	- - -	58,000,000
1856	63,000,000	- - -	63,000,000
1857	64,000,000	- - -	64,000,000
1858	59,000,000	- - -	59,000,000
1859	59,000,000	- - -	59,000,000
1860	52,000,000	90,897	52,090,897
1861	50,000,000	2,275,256	52,275,256
1862	52,000,000	6,247,014	58,247,014
1863	57,000,000	12,486,238	69,486,238
1864	55,967,605	16,797,585	72,765,190
1865	57,496,800	16,184,877	73,681,677
1866	60,000,000	18,000,000	78,000,000
1867	53,000,000	22,000,000	75,000,000
1868	51,000,000	16,000,000	67,000,000
1869	47,000,000	16,000,000	63,000,000
1870	48,000,000	18,000,000	66,000,000
1871	42,357,000	24,246,000	66,603,000
1872	42,688,103	27,548,811	70,236,914
1873	35,400,000	44,600,000	80,000,000
1874	43,400,000	46,600,000	90,000,000
1875	42,000,000	58,000,000	100,000,000
TOTAL - - - *Dols.*	1,430,309,508	345,076,678	1,775,386,186

The following Table shows the estimated production by States and Territories of the above:— Appendix, No. 12.

YEAR.	California.	Nevada.	Montana.	Idaho.	Oregon and Washington.	Utah.	Other Territories.
	Dols.	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*
1848 - -	5,000,000	—	—	—	—	—	—
1849 - -	23,000,000	—	—	—	—	—	—
1850 - -	59,000,000	—	—	—	—	—	—
1851 - -	60,000,000	—	—	—	—	—	—
1852 - -	59,000,000	—	—	—	—	—	—
1853 - -	68,000,000	—	—	—	—	—	—
1854 - -	64,000,000	—	—	—	—	—	—
1855 - -	58,000,000	—	—	—	—	—	—
1856 - -	63,000,000	—	—	—	—	—	—
1857 - -	64,000,000	—	—	—	—	—	—
1858 - -	59,000,000	—	—	—	—	—	—
1859 - -	59,000,000	—	—	—	—	—	—
1860 - -	52,000,000	90,897	—	—	—	—	—
1861 - -	50,000,000	2,275,256	—	—	—	—	—
1862 - -	51,500,000	6,247,014	500,000	—	—	—	—
1863 - -	50,000,000	12,486,238	7,000,000	—	—	—	—
1864 - -	35,000,000	16,797,585	13,000,000	6,474,085	1,493,520	—	—
1865 - -	35,020,000	16,848,879	13,835,998	6,581,440	1,395,360	—	—
1866 - -	26,000,000	16,000,000	18,000,000	7,000,000	3,000,000	- -	8,000,000
1867 - -	25,000,000	20,000,000	12,000,000	6,500,000	3,000,000	- -	8,500,000
1868 - -	22,000,000	14,000,000	15,000,000	7,000,000	4,000,000	- -	5,000,000
1869 - -	21,000,000	14,000,000	12,000,000	7,000,000	3,000,000	- -	6,000,000
1870 - -	25,800,000	16,000,000	9,100,000	6,000,000	3,000,000	1,300,000	4,800,000
1871 - -	25,850,000	16,000,000	9,100,000	6,000,000	2,500,000	2,300,000	4,853,000
1872 - -	21,450,000	22,500,000	8,000,000	5,000,000	2,131,086	6,125,152	5,030,676
1873 - -	20,000,000	36,000,000	4,000,000	2,400,000	1,600,000	9,000,000	7,000,000
1874 - -	26,000,000	35,000,000	4,000,000	2,500,000	1,500,000	10,000,000	11,000,000
1875 - -	26,000,000	45,000,000	4,000,000	2,500,000	1,500,000	10,000,000	11,000,000
TOTAL *Dols.*	1,153,620,000	289,245,869	129,535,998	64,955,525	28,119,966	38,725,152	71,183,676

We give most of the above in round numbers, and make the productions of 1875 to be the same as that of 1874, except in the case of Nevada, in which there has been an increase of 10,000,000 dollars.

The exports of treasure for the past year and for the past three years, exclusive of mail shipments, have been as follows:—

	1873.		1874.		1875.	
	Dols.	*cts.*	*Dols.*	*cts.*	*Dols.*	*cts.*
New York - - - - -	14,597,895	76	20,689,627	86	34,520,521	83
England - - - - - -	667,109	81	184,755	62	143,670	72
China - - - - - -	6,335,353	50	8,324,675	54	7,168,649	55
Japan - - - - - -	2,206,157	12	41,360	00	2,070	50
Miscellaneous - - - -	908,609	49	940,213	20	514,183	44
TOTALS - - - *Dols.*	24,715,125	68	30,050,632	22*	42,353,096	04†

* The detailed figures exceed the total by 130,000. † The detailed figures fall short of the total by 4,000.

The descriptions of treasure were as follows:—

	1873.	1874.	1875.	
	Dols.	*Dols.*	*Dols.*	*cts.*
Gold bars - - - - -	2,828,682	3,295,857	972,474	57
Silver bars - - - - -	8,457,739	9,492,719	8,501,588	53
Gold coin - - - - -	9,076,173	10,849,561	24,942,612	04
Mexican dollars - - - -	3,770,063	2,253,341	1,676,952	00
Gold dust - - - - -	77,645	82,212	37,025	00
Silver coin - - - - -	106,589	58,425	1,442,500	00
Trade dollars - - - -	389,234	4,018,517	4,710,033	90
TOTALS - - - *Dols.*	24,715,125*	30,050,632	42,353,096	04†

* The detailed figures fall short of the total by 9,000. † The detailed figures fall short of the total by 69,910.

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The total exports from San Francisco recorded since 1848 have been as follows:—

Year.	Value.	Year.	Value.
	Dols.		*Dols.*
1848-50 - -	60,900,000	1864 - -	55,707,201
1851 - - -	45,989,000	1865 - -	44,426,172
1852 - - -	45,779,000	1866 - -	44,365,668
1853 - - -	54,968,000	1867 - -	40,671,797
1854 - - -	52,045,633	1868 - -	36,358,096
1855 - - -	45,161,731	1869 - -	37,287,114
1856 - - -	59,697,434	1870 - -	32,983,139
1857 - - -	48,967,692	1871 - -	17,253,346
1858 - - -	47,548,026	1872 - -	29,330,436
1859 - - -	47,640,462	1873 - -	24,715,125
1860 - - -	42,325,916	1874 - -	30,050,632
1861 - - -	40,676,758	1875 - -	42,353,096
1862 - - -	42,561,761		
1863 - - -	46,071,920	Total - *Dols.*	1,111,935,155*

* The detailed figures make a total of 1,115,835,155 dollars.

This, of course, does not include mail shipments east direct from the mines, nor treasure carried away by individuals. The recorded exports for 1875 have been thus: 12,302,463·46 dollars ahead of those for 1874, and larger than those of any other year since 1866, and of course all of the production of the year, with the exception of about 10,000,000 dollars, has, as a rule, found its way to New York, or to this city, to be shipped thence to foreign countries.

The Coin Movement

For the past 12 months compares as follows with that for the 12 months ending 31st December 1874:—

	Gold.	Silver.	Totals.
	Dols.	*Dols.*	*Dols.*
January - - - - - -	1,660,000	695,000	2,355,000
February - - - - - -	1,500,000	181,000	1,681,000
March - - - - - -	2,140,000	342,000	2,482,000
April - - - - - -	2,560,000	898,000	3,458,000
May - - - - - -	2,140,000	654,000	2,794,000
June - - - - - -	740,000	371,000	1,111,000
July - - - - - -	1,780,000	728,000	2,508,000
August - - - - - -	3,840,000	670,000	4,510,000
September - - - - -	2,074,000	574,000	2,648,000
October - - - - -	2,440,000	678,000	3,118,000
November - - - - -	1,820,000	803,000	2,623,000
December - - - - -	1,920,000	800,000	2,720,000
Total, 1875 - - *Dols.*	24,614,000	7,394,000	32,008,000
Total, 1874 - - *Dols.*	24,460,000	2,869,000	27,329,000
Increase, 1875 - *Dols.*	154,000	4,525,000	4,679,000

Coinage at the Branch Mint for the past four years have been as follows:—

	1872.	1873.	1874.	1875.
	Dols.	*Dols.*	*Dols.*	*Dols.*
January - - - -	840,750	900,000	1,994,000	2,355,000
February - - - -	1,210,000	1,219,400	279,000	1,681,000
March - - - -	1,127,750	1,140,000	3,958,000	2,482,000
April - - - -	1,420,000	1,282,000	1,752,000	3,458,000
May - - - -	2,020,000	2,772,000	367,000	2,794,000
June - - - -	666,000	652,000	2,393,000	1,111,000
July - - - -	2,245,000	3,082,000	2,309,000	2,508,000
August - - - -	730,000	2,131,000	4,320,000	4,510,000
September - - -	1,264,500	2,264,500	2,570,000	2,048,000
October - - - -	1,895,000	2,658,000	3,204,000	3,118,000
November - - - -	1,525,000	254,500	96,000	2,622,000
December - - - -	1,436,600	3,720,000	4,087,000	2,740,000
TOTAL - *Dols.*	16,389,600*	22,075,400	27,329,000	32,008,000†

* The detailed figures make a total of 16,380,600.

† The detailed figures make a total of 31,427,000.

From a financial point of view, the year has been one of the most notable known on the Pacific Coast. The discoveries of 1848–49 have not caused a greater sensation than that of the Big Bonanza of Nevada, the fame of which has spread throughout the world, and has caused all eyes to look towards the Pacific Coast as in the halcyon days of the Argonauts. Some estimates of the value of the ore in sight make it equal to 1,500,000,000 dollars, a value nearly equal to that of all the Gold and Silver mined on the Pacific Coast of the United States since the first discoveries of gold, 25 years ago. In reference to it, C. A. Luckhardt,* formerly of Virginia City, and now of San Francisco, writes:—

"It is impossible to estimate the amount and value of ore standing in the Virginia and California ground. As has been remarked, the ore varies in quality. Extraordinary rich streaks are met with. In some places for 50 feet in the cross cuts the ore assays 900 dollars, and again sections of 200 feet assay 150 dollars. Cross-cut No. 2, in the California, for 80 feet across the ore, assays 412 dollars per ton, and, on the other hand, in some places the ore will not assay above 50 dollars; as, for instance, for 50 feet in the Virginia Consolidated Cross-cut No. 2, near the west clay. Fabulous reports and estimates have been given, varying from 150,000,000 dollars to 1,500,000,000 dollars 'in sight.' It is reasonable to suppose that the ground from the Best and Belcher north line to the Ophir south line, and in depth from the 1,300 to the 1,550-foot level, will yield, judging from present developments and present yield, ore for two years to come at the present rate of extraction, viz., 450 to 580 tons daily. The quality of the ore is a matter of pure speculation. At present, the average is about 150 dollars per ton, but 300 dollars to 500 dollars ore can be extracted at will by selecting the stopes. Mr. Luckhardt thinks that 160 dollars may possibly be an average of the whole mass referred to; but this is merely a prudent guess. At this rate, there would be over 60,000,000 dollars 'in sight.' But such calculations are, at present, futile."

The discovery of this vast deposit will not improbably be followed by others of greater or less extent, and, in fact, it seems that we are but at the beginning of the realisation of the vast mineral wealth hidden in the bowels of our mountains. But, from present indications, the discoveries will not at all be confined to the Pacific Coast of the United States

* *Note.*—This is a mistake. The quotation is from Mr. Raymond's own words.

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States. The vast mineral wealth of Mexico has long since passed into a proverb, and during the past year large numbers of mines have been located by American capitalists. Already, in Lower California, one mine has been successfully worked by Americans theiu midst of war revolutionary movements, and it would seem as if this peninsula were destined to reach a point of mining development not at all inferior to the Silver State, Nevada. It is now being prospected in every part, and in one location, at the Bay of All Saints, but 65 miles from San Diego, in the midst of a well-timbered and well-watered country, and with a good road leading to the shore, a mine has within the past year been denounced by American citizens, which, if assay indications are anything, bids fair to rival the Consolidated Virginia itself. The mine is the El Dorado. The assay has ranged from 230 dollars 22 cents. to 1,300 dollars per ton, and the ore can be laid down in San Francisco at a cost of 20 dollars per ton. The claim covers 1,721,344 square feet, and the discoverer is Captain George Ryerson, a native of Missouri, settled in the peninsula 23 years. The first shipment of 150 tons of ore will arrive in this city in about a month. If it at all sustains the character of the assays here mentioned, Lower California will at once rise into the prominence that its great resources entitle it to. New discoveries of equal importance may be anticipated, and another addition will have been made to our city's commercial domain.

The effect of these discoveries on the financial condition of the Coast might have been expected to be most favourable, and so in effect they would have been, were it not for the unprecedented drain of coin and bullion, which has rendered this as a financial year so notable on the Pacific Coast, and for the panic which resulted in the suspension of the Bank of California. The former has been altogether unprecedented, the exports of coin and bullion for the twelve months ending 31st December 1875 having exceeded those for the twelve months ending 31st December 1874 by 12,302,463 dollars 66 cents.; the coin exports of the past year, chiefly Gold, having exceeded those of 1874 by not less than 17,968,642 dollars 94 cents. The causes of the unprecedented drain have been manifold. The low prices east of such goods as we have been in the habit of importing tempted our merchants to buy much more largely than usual. The high price of Gold east contributed to the same result, and also to prompt payment. Then the profits derivable from speculation in a market where the extremes of the Gold premium differed as much as 7 per cent., tempted our capitalists to withdraw their coin from investment on this coast. The accumulation of Gold in the Bank of France with a view to resumption, and the replacement of the old Silver standard in Germany by a new Gold one, caused an unprecedented demand this year, and an unprecedented draw from the Pacific Coast, the principal source of supply for the world.

Appendix, No. 13.

PAPERS put in by Mr. *Henry Waterfield.* Appendix, No. 13.

UNITED STATES.

EXTRACTS from Papers presented to Parliament relating to the Production and Movement of Gold and Silver in the UNITED STATES.

EXTRACTS from Reports by Consul *Booker* on the Trade of California, in the Years 1871, 1872, 1873, 1874, and 1875.

YEAR 1871. 1871.

THE total yield of the California Gold Mines is estimated at 3,000,000 *l.* Extraordinary developments have been made in the great "Comstock lead" of Nevada, and the yield has reached 2,200,000 *l.*, fully one-third more than the product of 1870. The more recent discoveries have been in the "Crown Point" and "Belcher" mines, which have proved so flattering as to send the value of their stock far above what it has ever before reached. The latter has, heretofore, paid in dividends but little over the assessment, but it recommenced paying dividends in January of this year by one payment of 10 dollars per cent. per share, equal to 20,800 *l.* The following are the dividends paid by four of the leading mines of this lode:— Mines.

	£.
Chollar Potosi	330,400
Crown Point	168,000
Hale and Norcross	32,000
Yellow Jacket	88,800

* * * * * *

The following return of the yield of the mines of different districts in Nevada is from a reliable source, but it makes the yield of Nevada about 235,000 *l.* more than the production according to the United States Commerce and Navigation Returns:—

	£.
Aurora	9,152
Austin	193,107
Belmont	53,780
Battle Mountain Station	25,888
Carson	23,927
Carlin	5,562
Eureka	434,622
Galena	41,272
Hamilton	267,884
Mineral Hill	140,203
Mountain City	29,855
Mill City	897
Oreana	1,380
Pische	796,446
Pine Grove	27,535
Palisade	5,425
Rye Patch	8,252
Reno	38,595
Silver City	40,160
Joano	8,007
Unionville	68,740
Virginia City and Gold Hill	2,210,665
Wadsworth	4,055
TOTAL £.	4,435,409

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The Ely district of Nevada, which first attracted attention by the discovery and working of the now celebrated "Meadow Valley" mine, has during the past year been brought more prominently forward by the large yield of the "Raymond and Ely" mine, which paid last year in dividends 141,000 *l.*, and is greatly increasing the production now that the company have a fine new mill in working order. The yield of the Silver Mines has been so much in excess of that of 1870, as to more than make up for the deficiency of the California Gold product. I give below, as it is a matter of public interest, the estimated production of Gold and Silver for the past five years in the United States, based upon the coinage of the mints and the foreign exports, according to the Commerce and Navigation Reports.

Estimated Production of Gold and Silver in the United States.

Year.	Gold.	Silver.	Total Production.
	£.	£.	£.
1867 - - -	7,700,000	3,800,000	11,500,000
1868 - - -	7,000,000	3,000,000	10,000,000
1869 - - -	6,500,000	2,800,000	9,300,000
1870 - - -	6,000,000	3,200,000	9,200,000
1871 - - -	5,600,000	4,400,000	10,000,000

About one third of the value of the Silver production is also Gold, which should be deducted from the second column and added to the first to show the exact proportion of each metal produced. The above statement does not embrace the Gold and Silver exported in the form of ore.

Analysing the production of 1871, it may be stated in detail as follows :—

	£.	
California - - - - - - - -	3,000,000	Gold.
Colorado and Wyoming - - - - -	500,000	„
Idaho - - - - - - - - -	500,000	„
Montana - - - - - - - - -	1,100,000	„
Oregon - - - - - - - - -	400,000	„
Nevada - - - - - - - - -	4,200,000	Silver.
Other sources - - - - - - - -	200,000	„

A good many California and Nevada mines have been sold during the past year in the London market, and the price paid for them has generally been far in advance of their recognised value here. The almost insatiable demands of the California and Nevada "operators" and the London Stock Exchange have in some instances caused the par value of the shares of a company to be five times or more what the mine has or should have cost. Good mines are to be purchased at a reasonable valuation, if the same sagacity and caution are displayed in securing them as would be in an ordinary mercantile transaction. There are in San Francisco mercantile firms of high standing, who might safely be trusted with negotiations of this character, and they can always have the assistance of able and faithful mining engineers, whose reports should be entitled to as much weight as those of strangers, however capable, sent out for the purpose.

1872.

Year 1872.

Mines.

The result of the Gold mining in California has been very satisfactory, the yield reaching 3,700,000*l.*, an increase over 1871 of 700,000 *l.* The success is to be attributed to the more than usual supply of water, the increase in the arrangement for storing and bringing it by canals and ditches to the points required, and to the completion of tunnels to provide an outlet for the enormous hydraulic washings. Many of these tunnels have been the work of years, and each year henceforth will witness the completion of others permitting of a vast increase of this description of mining. The area of these auriferous grounds, adapted to hydraulic mining, is enormous, extending through almost the whole of the northern mining districts, and there is little doubt they will be found through a considerable portion of the southern.

In my last report I referred to the great discoveries in two of the mines of the Comstock lead, in the State of Nevada, and the immense speculation in mining shares engendered thereby, everyone looking to the probability of the same rich deposits being found in the other mines of the lead, when the point was reached where the continuance of the rich deposits might be looked for; this speculation continued until about the middle of the

the year, when a reaction set in, and since then the transactions of the Stock Board have been gradually falling off, with an enormous decline in the value of mining shares; the tightness of the money market has added to the depression, and by the quotations of some of the leading mines given below it will be seen how great have been the fluctuations and depression. Of the mines of Nevada quoted on the Stock Board, out of 112 only 21 have paid dividends, but the dividends have exceeded the assessments by 12,844,300 dollars. It is a singular circumstance that some of the mines of the celebrated Comstock lead, that have never paid a dividend during the many years they have been worked and assessed with regularity, continue to maintain a considerable value. The spirit of speculation and hope must be buoyant almost beyond belief when shareholders can be found ready to pay whenever called upon, either to make up deficiencies or to provide funds for further explorations. The Raymond and Ely mine, in the Ely district of Nevada, referred to in my last report, has continued to pay dividends regularly, and has disbursed to shareholders in the year 414,000 *l.* Appendix, No. 13.

* * * * * *

The following statement of the production of the precious metals in the States and territories of the United States west of the Missouri river has been received from a reliable source, and may be regarded as fairly accurate:— Production of Gold and Silver.

	£.
California	3,809,800
Nevada	5,109,700
Oregon	381,000
Utah	704,200
Washington Territory	45,200
Idaho	502,800
Montana	888,400
Arizona	28,700
Colorado	60,300

In my last report I alluded to the sale of numerous California and Nevada mines in the London market, at prices far above their recognised value here. The reports presented at the meetings of shareholders of several of them show the truth of this, and the necessity for the exercise of extreme caution in transactions of this nature.

Year 1873.

1873.

Our Gold product was not far behind that of 1872. The completion of water-courses and tunnels, to provide water and drainage for the carrying on of our hydraulic mining, must in ordinary seasons increase our Gold product, and the annual average for some time to come will, in my opinion, exceed that of the past few years. The yield of the Silver mines of the adjoining State of Nevada has exceeded that of 1872 by over 2,000,000 *l.*, and California derives a full share of the benefits of her neighbour's success. Production of Gold and Silver.

During the last session of Congress a bill was passed authorising the coinage of a Silver dollar, to be known and stamped as "trade dollar," not to form a part of the monetary system of the United States, but to be designed with special reference to China and Japan, with the view of its taking the place of the Mexican dollar, which had been practically the dollar of account in those countries for many years. It was considered that with the irregular supply of the Mexican dollars, and with the high premium which they usually commanded, a coin could be made of more intrinsic value, and more uniform both in weight and fineness, and thus be forced into circulation in China and Japan to the advantage of the commerce of this country in the saving of the premium on the Mexican dollars. The coin, which weighs 412½ grs., is of 900 fineness, and contains 371¼ grs. of pure Silver, has proved a success, having been accepted as a recognised legal tender both in Shanghae and Canton; and it is reported that the propriety of recognising it as such is under consideration in Hong Kong. 700,000 were coined at the branch mint in this city, and now Mexican dollars are selling at a discount, instead of 5 to 6 per cent. premium, which has been the average price for several years. Trade dollar.

The yield of the mines of California, estimated at something over 3,000,000 *l.*, shows a falling off from 1872, consequent upon the short supply of water in many parts of the mining regions during the summer and autumn. No reliable statistics exist as to the yield of the different descriptions of mines, but each year hydraulic mining is increasing in importance, and with the completion of some long tunnels (for drainage purposes), commenced several years ago, there will be a great addition to the yield. Quartz mining continues to command the attention of the capitalist, and there is no difficulty in finding persons willing to invest where the prospects are at all encouraging. The past year has been comparatively barren in "discoveries," although quartz has been found in sections of the State which were not before believed to contain minerals. In Nevada the Comstock lead has maintained its supremacy by the enormous yield of the Belcher and Crown Point mines, forming part of it; the former disbursed during the year to its stockholders 1,352,000 *l.*, and the latter 1,020,000 *l.* The Ely district, which for some years attracted Mines.

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attention by the great yield of its two leading mines—the Raymond and Ely, and Meadow Valley—has now lost its character, as these two mines have ceased to pay dividends, and no others have been brought into prominence. I give below the selling prices at the San Francisco Stock Board of the stock of several of the leading mines of Nevada during each month of last year. Very few of the California mines are on the list of the Stock Board.

Production of Gold and Silver.

The following statement of the production of the precious metals west of the Missouri river, made up by the superintendent of the leading Express Company, through whose hands most of the Gold and Silver passes, is no doubt nearly correct, but some allowance must be made for a duplication of occasional packages of treasure which have been more than once through a forwarding channel, and their identity lost; also in the column for base metals the value given is not merely that of the precious metals, and therefore the amount is in excess of what it should be, but to what extent I cannot ascertain with any degree of accuracy, and therefore merely refer to the fact.

STATES AND TERRITORIES.	Gold Dust and Bullion by Express.	Gold Dust and Bullion by other Conveyances.	Silver Bullion by Express.	Ore and Base Bullion by Express.	Total, 1873.
	£.	£.	£.	£.	£.
California - - -	3,141,991	314,199	52,954	96,000	3,605,144
Nevada - - -	43,828	8,765	6,036,784	961,523	7,050,900
Oregon - - -	229,398	45,880	- -	- -	275,278
Washington - -	34,390	6,878	611	- -	41,879
Idaho - - -	234,226	46,845	187,659	- -	468,730
Montana - - -	648,248	129,649	665	- -	778,562
Utah - - - -	22,401	4,480	242,087	712,300	981,268
Colorado - - -	371,328	- -	167,971	277,354	816,653
Arizona - - -	7,415	1,483	658	- -	9,556
Mexico - - -	- -	- -	173,759	- -	173,759
British Columbia -	208,339	41,668	- -	- -	250,007
Total - - £.	4,941,564	599,847	6,863,148	2,047,177	14,451,736

1874.

Year 1874.

Trade dollar.

The "trade dollar," the coinage of which was commenced in 1872 with a view of its taking the place of the Mexican dollar in China and Japan, has proved a success, the demand being greater than the mint has been able to supply; 2,550,000 dollars were coined last year.

* * * * * *

Mines.

The past year mining in this State has resulted in a production of Gold beyond that of several preceding years, which may be accounted for by a full supply of water throughout the year, and the increased number of hydraulic mines brought into working condition by the completion of drainage, tunnels, and ditches, to supply the necessary water. The supply of base bullion from the southern part of the State has increased materially, and the prospects are favourable for a much larger product from the opening up of the Panamint District, in Inyo County, in the south-eastern part of the State, in which a considerable amount of capital has been invested, and of the mines of which there have been very favourable reports, though only partially accepted by mining experts. The district is also said to have excellent Silver Mines, with ore free from base metal; but, unless they turn out different from most of the mines of the county, the wealth of it must rest upon its yield of base metal. The country to the north of this comprised in the counties of Yuba, Nevada, Plumas, Butte, and Sierra, is the point wherein are centred the principal gravel mines of the State, and, were it not for the difficulty of working up the enormous mass of "tailings," resulting from hydraulic washings, the increase in the production of Gold would be very great. In the southern part of the State, there has been some activity beyond that produced by the discoveries in the Panamint District, by the number of new mines opened in the San Bernardino range of mountains, but from which as yet little metal has been extracted. The mines in San Diego county are not being worked with vigour, although there are numerous Gold quartz leads, reported to be rich. The result of last year's quartz mining has not come up to previous years, and several of the best known mines have been unable to continue their dividends. The mines of the Comstock lead, in the neighbouring State of Nevada, have continued to yield abundantly. The Belcher and Crown Point have, it will be seen by the table, continued to pay dividends, although they were reduced at the close of the year respectively to 3 dollars and 2 dollars per share per month. The Belcher has, altogether, paid 141 dollars 91 cents per share, equal to 14,191 dollars per foot of ground; and the Crown Point, 113 dollars 88 cents per share, equal to 18,956 dollars per foot.

The

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The more recent discoveries in the lead have been in the Consolidated Virginia and California, situated to the north of the Belcher and Crown Point, and these far surpass in extent any previous ones; the reports from these mines represent the value of the ore exposed to view as beyond anything before developed, either in the United States or elsewhere; and, whilst making every allowance for exaggeration, consequent upon the excitement incidental to such a discovery, it seems certain that the yield of this celebrated lode will be very greatly increased. The Consolidated Virginia is in good working order, but a good deal of work has to be done upon the California before it is in a condition to supply large quantities of ore. The Ophir, adjoining the California, is said to have abundance of rich ore in sight, and the present price indicates discoveries of importance. Adjoining the Consolidated Virginia, north, is the Best and Belcher, which has attracted a great deal of attention from its situation more than from any known ore developments. The Belcher and Crown Point, situated in Gold Hill, yield more Gold than the mines to the north. A bar of 1,000 ozs. of Belcher metal will usually assay 100 ozs. of Gold and 900 ozs. Silver; whilst a similar one of Consolidated Virginia will only assay 45 ozs. Gold. The mines of Eastern Nevada have not been worked the past year to much advantage, and one only of those quoted on the Stock Board appears as a dividend-paying mine.

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Production of Gold and Silver.

The following statement of the amount of precious metals produced in the States and territories west of the Missouri River during 1874 is furnished by the Superintendent of Wells, Fargo, and Company's Express Company, and may be regarded as fairly accurate :—

STATES AND TERRITORIES.	Gold Dust and Bullion by Express.	Gold Dust and Bullion by other Conveyances.	Silver Bullion by Express.	Ores and Base Bullion by Freight.	Total, 1874.
	Dols.	*Dols.*	*Dols.*	*Dols.*	*Dols.*
California - - -	16,015,568	1,601,556	967,857	1,715,550	20,300,531
Nevada - - -	345,394	34,539	30,954,602	4,117,698	35,452,233
Oregon - - -	553,564	55,356	150	- -	609,070
Washington - -	141,396	14,139	- -	- -	155,535
Idaho - - -	1,207,667	120,765	551,572	- -	1,880,004
Montana - - -	2,581,362	258,136	- -	600,000	3,439,498
Utah - - -	83,721	8,372	746,565	5,072,620	5,911,278
Arizona - - -	23,333	2,333	400	-	26,066
Colorado - - -	1,590,700	- -	1,745,705	855,000	4,191,405
Mexico - - -	84,655	- -	714,223	- -	798,878
British Columbia -	1,487,473	148,747	337	- -	1,636,557
TOTAL - *Dols.*	24,114,833	2,243,943	35,681,411	12,360,868	74,401,055

Quicksilver.

QUICKSILVER.—The supply from the New Almaden mine has again fallen off, the receipts the past year having been 9,000 flasks against 12,000 in 1873; the product of this mine in 1864 and 1865 was over 45,000 flasks, and it has been decreasing year by year since. The New Idria has supplied 7,000 flasks, rather less than in previous years. The Redington has increased its production from 4,200 in 1873 to over 7,000 flasks; from other mines the receipts have been 4,000 flasks, making a total production of about 27,000 flasks, a falling off of 1,600 from 1873.

The exports have been as follows :—

	Flasks.
To Central America - - - - - - - -	547
China - - - - - - - - -	1,200
Japan - - - - - - - - - -	83
Australia - - - - - - - - -	80
Mexico - - - - - - - - - -	4,104
Other countries - - - - - - - -	703
By rail east - - - - - - - - -	4,900

The price has been advancing all the year. In January it was selling at 1 dollar 20 cents per lb. (flasks 76½ lbs.), in June at 1 dollar 35 cents, and at the close of the year 1 dollar 55 cents. A contract was made in November for the monthly supply of 400 flasks for one year at 1 dollar 50 cents, with a firm, controlling the Consolidated Virginia, California, and other mines of Nevada. The causes for the continued rise in price are to be traced to the diminished yield of the mines of this State, the increased demand for Nevada, and the high price ruling in London, which has drawn from this market quicksilver formerly supplied from London. The high price has stimulated explorations in all directions, and in Wapa and Lake counties a great number of mines are being opened, and it is reasonable to suppose some of them will turn out to be valuable. The Borax Lake

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Sulphur Quicksilver Company have large deposits of ore, and henceforth will furnish a considerable quantity of quicksilver. The quantity of sulphur with the ore has hitherto prevented the extraction of much metal, but the difficulty has, in a great measure, been overcome.

Year 1875.

1875. Exports of Gold and Silver.

The exports of Gold and Silver during the past years have been as follows :—

Year.	Eastern Ports of the Union.	England.	China.	Other Ports.	Total.
	£.	£.	£.	£.	£.
1867 - - - -	4,671,180	1,168,230	1,806,300	689,540	8,335,250
1868 - - - -	4,293,760	1,062,595	1,238,800	493,725	8,588,880*
1869 - - - -	2,491,960	2,368,365	1,297,490	1,299,610	7,457,425
1870 - - - -	2,688,660	1,958,130	1,099,370	850,470	6,596,630
1871 - - - -	4,068,915	636,968	688,642	513,603	5,908,128
1872 - - - -	1,300,010	452,460	1,495,370	2,948,080	6,195,920
1873 - - - -	3,459,580	133,432	1,267,070	622,955	5,483,027
1874 - - - -	4,137,925	36,951	1,664,935	196,135	6,036,126
1875 - - - -	6,913,720	34,630	1,530,590	103,260	8,582,200

* Including 1,500,000 *l.* sent to the East by the United States Government, which does not appear in the printed statements. (*See* Consul Booker's Report for 1868.)

The description of exports is given in the following Table :—

	£.
Gold bars - - - - - - - - - -	199,005
Silver bars - - - - - - - - - -	1,747,140
Gold coin - - - - - - - - - -	4,987,910
Mexican dollars - - - - - - - - -	364,595
Gold dust - - - - - - - - - -	8,995
Silver coin - - - - - - - - - -	288,185
Trade dollars - - - - - - - - - -	982,170
Currency - - - - - - - - - -	4,200

Mining.

Mining.—At the commencement of 1875 we had every reason to look forward to a more than usually prosperous year; but the scarcity of rain in the spring, and, what is of more consequence, of snow in the mountains, caused the supply of water in the autumn months to be insufficient to work many of the hydraulic mines; in consequence of which the yield of our Gold Mines has been fully 2,500,000 dollars short of that of 1874. Every year more hydraulic mines are being worked, but there is frequently great expense attending the getting them into a working condition; many require long tunnels for drainage purposes, and some have to bring water from a long distance, and to construct storage reservoirs in the mountains. If the mine has not its own supply of water, 10 cents an inch for 10 or 11 hours (a 24 hours miner's inch is equivalent to 2,230 cubic feet of water) is about the average charge, which is a very serious item of expenditure, as there is always a good deal of surface gravel to be removed, much of which will not pay for the water used. The calculation in regard to these mines is always made by the yield of Gold to the inch of water used. Hydraulic mining is now extensively carried on in the following counties :—Amador, Butte, Calvaeras, El Dorado, Nevada, Placer, Plumas, Sierra, Tuolumne, Tuba. The Surveyor General's report states the number of mining ditches

ditches to be 673, and 5,179 miles in length. The same report gives the number of quartz mills at 290, and the quantity of ore crushed 327,130 tons. In the county of Nevada, the great centre of quartz mining, there is a falling off from preceding years, but this county is rarely without some one mine yielding very largely. There have been no important discoveries during the year; the new district in Inyo county, alluded to in my last report, has not produced the quantity of base metal expected from it; for a time there was a large gathering of miners and speculators about the range of mountains in which the discovery was first made, but after a few months of prospecting, the district was abandoned by most of those who had flocked to it, and at present only a few of the more promising mines are being worked.

The Silver Mines of the neighbouring State of Nevada have produced in the past year over 40,000,000 dollars, of which amount one mine (Consolidated Virginia) has contributed close upon 17,000,000 dollars.

A disastrous fire in October destroyed the hoisting works of this mine, and stopped for several weeks the extraction of ore. As the Consolidated Virginia is probably, at this time, the most productive mine in the world, it may be interesting to have an exhibit of some of the items from the annual reports of the president and superintendent.

	Dollars.
Receipts from bullion - - - - - - - -	16,953,771
Disbursements—	
Superintendent - - - - - - - - -	142,471
Fire, wood, and timber - - - - - - -	285,437
Reduction - - - - - - - - - -	2,198,236
Bullion freight - - - - - - - - -	50,383
Salaries and wages - - - - - - - -	760,698
Dividends - - - - - - - - - -	12,204,000

During the year, 169,307 tons of ore were extracted from the mine; taken from the 1,200, 1,300, 1,400, and 1,500 feet levels.

The California, adjoining the Consolidated Virginia mine, has been very thoroughly prospected by cross cuts and drifts on the 1,300, 1,400, 1,500, and 1,550 feet levels, and bids fair to rival its neighbour in richness. The prospecting has been done from the Consolidated Virginia mine, the shaft of the California not yet having been sunk to the levels above mentioned; this shaft has three compartments, and is 988 feet deep; 288 feet have to be sunk to reach the drift where the working will be commenced. The hoisting capacity will be 2,000 tons per day. The superintendent reports that his efforts have been confined to opening the mine as thoroughly as possible on all of the levels, and at the same time to take out as little ore as possible, which accounts for only 5,123 tons having been extracted.

THE following TABLE gives a good deal of interesting Information in regard to the Leading Mines of Nevada. Few of the California Mines are on the Stock List.

MINES.	Number of Feet in Mine.	Total Number of Shares.	Total Amount of Assessments.	Amount of Assessments in 1875.	Total Amount of Dividends.	Amount of Dividends in 1875.	SELLING PRICES OF STOCK. Jannary. Highest.	Jannary. Lowest.	February. Highest.	February. Lowest.	March. Highest.	March. Lowest.
			Dols.	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*
Alpha	306	30,000	180,000	- -	- -	- -	45	15	20	12	23	15
Baltimore Consolidated	1,050	84,000	573,000	222,000	- -	- -	11	7	7½	5¾	9½	6¼
Belcher	1,040	104,000	660,400	- -	14,981,200	312,000	57½	40	41	24	39	31
Best and Belcher	540	100,800	136,192	- -	- -	- -	89	49	60	37	56	46
Bullion	943½	100,000	1,802,000	- -	- -	- -	60	35	37	19	49½	25
Consolidated Virginia	710	108,000	411,202	- -	14,040,000	12,204,000	700	477	465	360	470	405
California	600	540,000	- -	- -	- -	- -	80	75½	64	46	69	53½
Chollar	1,400	28,000	1,022,000	280,000	3,080,000	- -	94	55	64	55	75	54
Crown Point	541	100,000	773,270	150,000	11,588,000	200,000	47½	33	34	24	40	27
Eureka Consolidated	–	50,000	- -	- -	1,000,000	325,000	17	13½	15¾	14	22	15½
Exchequer	400	8,000 till October, 100,000 in and since October	180,000	- -	24,000	- -	425	190	200	130	300	180
Gould and Curry	612	108,000	1,640,000	108,000	3,826,800	- -	23½	22	23	14	21½	17
Hale and Norcross	400	16,000	1,770,000	240,000	1,598,000	- -	77	45	47	33	52	42
Imperial	184	100,000	1,670,000	400,000	1,067,500	- -	23½	10	10	7½	9	7½
Julia	3,000	110,000	548,700	120,000	- -	- -	25	5	7½	4¾	8½	4¼
Justice	2,100	105,000	872,500	441,000	- -	- -	180	102½	120	50	150	65
Kentuck	95	30,000	270,000	- -	1,252,000	- -	34	14	15½	12	18	13
Meadow Valley	–	60,000	360,000	150,000	1,200,000	- -	9	5¾	7¾	5¾	10	6⅛
Mexican	600	108,000	54,000	54,000	- -	- -	85	30	30	21	34	24
Ophir	675	100,800	2,034,400	201,600	1,394,400	- -	315	100	89	61	123	81
Overman	1,200	38,400	1,876,680	345,600	- -	- -	99	59	66	45	67½	45
Raymond and Ely	5,000	30,000	510,000	240,000	3,075,000	- -	45	22	43	31	56	40
Savage	771	16,000 till December, 112,000 in December	2,186,000	442,000	4,460,000	- -	190	85	120	75	145	113
Segregated Belcher	160	6,400	212,800	- -	- -	- -	165	100	100	60	115	80
Sierra Nevada	3,300	100,000	1,000,000	200,000	102,500	- -	27	12	13½	10½	15	11¼
Yellow Jacket	957	24,000	2,358,000	240,000	2,184,000	- -	170	87	82	69	103	70

MINES.	SELLING PRICES OF STOCK. April. Highest.	April. Lowest.	May. Highest.	May. Lowest.	June. Highest.	June. Lowest.	July. Highest.	July. Lowest.	August. Highest.	August. Lowest.	September Highest.	September Lowest.	October. Highest.	October. Lowest.	November. Highest.	November. Lowest.	December. Highest.	December. Lowest.
	Dols.	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols*	*Dols.*	*Dol.*	*Dol.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*	*Dols.*
Alpha	25	19	27	17	18	13½	25	16	27½	17	–	–	20	15	20	12	24	17
Baltimore Consolidated	9½	7½	8	4¼	5	4	7	3	6½	4	–	–	3½	1	4	1½	3¼	2¼
Belcher	38	33½	35	26	28	25	33	22½	32	18	–	–	21¾	14	30½	16½	38¼	27
Best and Belcher	54	49	57½	42	50	41	74	41⅜	73½	41½	–	–	54½	36	64½	32	63	52½
Bullion	59	43	64	45	49	36	57	37½	61	38½	–	–	59	41	50½	35	51	40
Consolidated Virginia	460	440	460	395	425	305	365	300	265	250	–	–	340	210	400	235	411	360
California	66	61	64	52	61	52	78	54	75	54	–	–	65	52	72	50	78	63
Chollar	74	63	86	67	82½	65	95	66	128	69	–	–	77	58	90	40½	112	80
Crown Point	42	35	36¼	27½	33⅜	26¼	39½	25	40	22	–	–	33	21	35	24	35¾	26½
Eureka Consolidated	35	21½	74	34	74½	48½	67	47¾	50	25	–	–	19½	11½	20	11	18½	15
Exchequer	330	300	315	250	–	–	200	190	225	200	–	–	16	13	14½	10	14¾	10
Gould and Curry	20	18	22½	16	18¾	15	30	15	30	16½	–	–	23	14	24½	13	22½	18
Hale and Norcross	50	41	47	35	40	33	60	33	78	35	–	–	47	30	48	28	56	34½
Imperial	9½	8½	9¼	6	7¾	6	13	6¼	13¾	8½	–	–	11½	9	10	7⅜	10⅜	7¾
Julia	9¾	6¼	17⅜	6¾	15	9	23½	10⅜	41	17	–	–	17	7⅜	15	9½	17	14
Justice	150	120	137	87	101	80	155	82½	40	20	–	–	35	27½	50	22	51	23¾
Kentuck	18	15½	16½	13	14	12½	18	12⅜	19	13	–	–	16	11	16	11½	16	13¼
Meadow Valley	8⅜	6⅜	8¾	6½	7	5½	8	5¾	7	5	–	–	3¾	2½	3½	2	3½	2¼
Mexican	32	25½	29	14½	22	16½	29	17	30	18	–	–	24	15½	24½	15¼	22	18¼
Ophir	117	86	104	37½	61¼	42	70	44	76	43	–	–	71	35¾	60	36	58	42½
Overman	71	55	76	52	66	55	90	53	85	40	–	–	57	37	60	39	67	53
Raymond and Ely	56	40½	57	40	45	34	58	42½	52	32½	–	–	33	22½	26	14	22	13½
Savage	138	120	135	90	108	84	160	85	159	81	–	–	92	56	116	60½	22	13¼
Segregated Belcher	112½	97½	105	80	90	75	105	75	100	57	–	–	80	40	87½	60	90	80
Sierra Nevada	14	11½	14	9	13¼	11	21	12¼	21	14¼	–	–	16½	12	19	9	22	16
Yellow Jacket	96	80	87½	71	79	70	96	71½	103	63	–	–	89	60	90	60	115	80

The following Statement of the Amount of Precious Metals produced in the States and Territories of the United States, west of the Missouri River, during the past Three Years, has been furnished by the Superintendent of Wells Fargo and Company's Express Company, who has the means at his disposal for purposes of compilation. Appendix, No. 13

STATES AND TERRITORIES.	Gold Dust and Bullion by Express.	Gold Dust and Bullion by other Conveyance.	Silver Bullion by Express.	Ores and Base Bullion by Freight.	Total, 1875.	Total, 1874.	Total, 1873.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
California - -	14,842,010	1,484,201	387,768	1,039,172	17,753,151	20,300,531	18,025,720
Nevada - -	196,858	19,685	35,283,193	4,978,633	40,478,369	35,452,233	35,254,500
Oregon - -	759,133	405,913	- -	- -	1,165,046	609,070	1,376,390
Washington -	74,517	7,415	- -	- -	81,932	155,535	209,395
Idaho - -	1,163,698	116,369	230,835	44,000	1,554,902	1,880,004	2,343,650
Montana - -	2,235,609	500,000	88,000	750,000	3,573,609	3,439,498	3,892,810
Utah - - -	43,686	4,368	764,041	4,875,399	5,687,494	5,911,278	4,906,335
Arizona - -	23,500	- -	- -	85,593	109,093	26,066	4,083,265
Colorado - -	2,627,444	- -	2,610,266	1,062,107	6,299,817	4,191,405	47,780
Total - -	21,966,455	2,537,951	39,364,097	12,834,904	76,703,413	71,965,620	70,139,845

Quicksilver.—An increase of 30,000 flasks over the yield of 1874. The New Almaden, New Idria, and Redington mines have each increased their production, and many new mines, under the encouragement afforded by high prices for quicksilver, have been opened, and yielded their quota to the general supply. Quicksilver.

The exports have been as follows:—

	Flasks.
China - - - - - - - - - - -	18,190
Japan - - - - - - - - - - -	968
Australia - - - - - - - - - -	832
Mexico - - - - - - - - - - -	5,757
South America - - - - - - - - -	2,149
Chili - - - - - - - - - - -	355
New Zealand - - - - - - - - - -	258
Other Countries - - - - - - - - -	451
Total - - -	28,960

The price at the commencement of the year was 1 dollar 55 cents per lb., but under the increased production, it rapidly fell till it reached 65 cents in July; after which, it rallied to 80 cents to 85 cents, but at the close, fell to 60 cents per lb.

Appendix, No. 13.*

PAPER prepared by Mr. *Henry Waterfield.*

STATEMENT relating to the PRODUCTION of the MINES in the COMSTOCK LODE, STOREY COUNTY, NEVADA.

MINES.	Total Amount of Assessments to End of 1875.	Amount of Dividends Disbursed to End of 1875.	GROSS YIELD OF THE MINES.								
			1873.					1874.			
			1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	Year. (Total of Cols. 4, 5, 6, and 7.)	1st Quarter.	2nd Quarter.	3rd Quarter.	Nine Months. (Total of Cols. 9, 10, and 11.)
	From the San Francisco Stock Report.		From the Report of the State Mineralogist for Nevada, 1873 and 1874.								
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	
	$.	$.	$.	$.	$.	$.	$.	$.	$.	$.	$.	
*Utah	100,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1
Sierra Nevada	1,000,000	102,500	23,892	33,470	42,086	32,917	132,365	19,184	27,150	22,514	68,848	2
*Union Consolidated	60,000	—	—	—	—	—	—	—	—	—	—	3
Mexican	54,000	—	—	—	—	—	—	—	—	—	—	4
Ophir	2,034,460	1,394,400	- -	- -	- -	- -	- -	- -	27,777	119,499	147,276	5
California	- -	- -	- -	- -	- -							
Consolidated Virginia	411,200	14,040,000	- -	- -	- -	644,582	644,582	608,280	1,246,610	1,484,215	3,339,105	6
Best and Belcher	136,192	- -	- -	- -	- -							
Gould and Curry	1,640,000	3,826,800	- -	- -	35,217	- -	35,217	- -	- -	- -	- -	7
Savage	2,186,000	4,460,000	81,003	13,573	- -	- -	94,576	- -	- -	- -	- -	8
Hale and Norcross	1,770,000	1,598,000	228,155	160,473	117,547	87,245	593,420	75,471	74,431	76,945	226,847	9
Chollar Potosi	1,022,000	3,080,000	135,941	113,432	154,566	163,029	566,968	188,395	126,383	104,964	419,742	10
Bullion	1,802,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	11
Exchequer	180,000	24,000	—	—	—	—	—	—	—	—	—	12
Alpha	180,000	—	—	—	—	—	—	—	—	—	—	13
Imperial	1,670,000	1,067,500	- -	- -	8,343	- -	8,343	- -	- -	- -	- -	14
*Empire	- -	- -	23,114	43,875	30,800	44,610	142,399	41,859	46,746	56,750	145,355	15
*Gold Hill	—	—	—	—	—	—	—	—	—	—	—	16
Yellow Jacket	2,358,000	2,184,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	17
Keptuck	270,000	1,252,000	- -	- -	- -	- -	- -	- -	- -	- -	- -	18
Crown Point	773,270	11,588,000	2,495,211	2,721,448	1,752,735	1,347,891	8,317,285	1,849,534	1,968,037	1,321,535	5,139,106	19
Belcher	660,400	14,981,200	2,055,896	3,599,892	2,252,250	2,871,133	10,779,171	2,947,079	2,452,825	2,289,683	7,689,587	20
Overman	1,876,680	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	21
*Sutro	12,000	—	—	—	—	—	—	—	—	—	—	22
TOTAL		$.	5,043,212	6,686,163	4,393,544	5,191,407	21,314,326	5,729,802	5,969,959	5,476,105	17,175,866	23

* No information for 1875 about these Mines.

Appendix, No. 13.*

PAPER prepared by Mr. *Henry Waterfield.*

STATEMENT relating to the PRODUCTION of the MINES in the COMSTOCK LODE—*continued.*

	1875. Fiscal Year, 1st July 1874 to 30th June 1875. From the Report of the Director of the Mint, 1875. 13.	Total, Jan. 1873 to 30th June 1875, 2½ Years. (Total of Cols. 8, 9, 10, and 13.) 14.	REMARKS. Taken from the Report of the United States Commissioner of Mining Statistics, for 1874.	REMARKS. Taken from the Evidence, &c., and from Consul Booker's Report for 1875.
	$.	$.		
1	- -	- -	Vein seems to have strength; heavy pumping machine is being erected.	
2	41,170	219,869	Mine has been worked on old ore body, from which during the year 17,708 tons of ore have been extracted, averaging $. 5·50 per ton. Still a large amount of low-grade ore. New shaft is being sunk.	
3	—	—		
4	—	—		
5	1,048,236	1,076,013	Ore is of very good quality; two strata have been encountered.	
6	11,567,903	14,067,375	The three Mines are worked by one party, and are connected. The Consolidated Virginia is extracting 580 tons of $. 150 mill-ore per day; the ore varies in quality; extraordinarily rich streaks are met with. It is reasonable to suppose that the ground will yield, for two years to come, 450 to 580 tons daily; the average quality is at present $. 150 per ton, but $. 300 to $. 500 can be extracted by selecting the stopes. The California is not yet producing. In the Best and Belcher much good ore is anticipated, but the work is progressing slowly.	Sir H. Hay and Mr. Campbell mention that the Consolidated Virginia in 1875 produced 17,000,000 dollars, and divided 12,000,000 dollars (Q. 42 and 493). Sir H. Hay adds that the California has already produced, and that very large returns are anticipated from it (Q. 43). Mr. Pixley, however, says that it does not yet produce; he considers the Virginia reports very trustworthy, and says the Silver from this one mine can be extracted at 1 *s.* 6 *d.* an ounce (Q. 210, 213, and 230). The report of the Consolidated Virginia Mine for 1875 gives the production as 16,731,653 dollars, besides 478,080 dollars in the mills, &c. Consul Booker gives the receipts from bullion during that year as 16,953,771 dollars, though the extraction of ore was stopped for several weeks by a disastrous fire, in October; the dividends distributed amounted to 12,504,000 dollars. From the California Mine he says that only 5,123 tons have yet been extracted, as the efforts of the Superintendent were confined to opening the Mine as thoroughly as possible on all the levels.
7	- -	35,217	Has yielded no ore this year, but better things may be looked for.	
8	- -	94,576	The ore-seams do not contain sufficient ore to pay for extraction; the 2,200 feet level is expected to develop a body of ore possibly.	
9	195,732	939,054	To all appearances the Mines will continue to yield 1,200 to 1,500 tons of $. 1,400 to $. 1,700 ore per month, for some months to come.	
10	297,987	1,179,733	Still at work on its apparently never-to-be-exhausted mass of low-grade ore near the surface, and still producing 60 tons of $. 20 mill-ore per day. The deepest body carries ⅔ths Gold to ⅔ths Silver, and the upper body ⅔rds Gold to ⅓rd Silver.	
11	- -	- -	Some very fair ore in seams; a considerable piece of ground yet unexplored. If the quartz maintains its character, which it has every appearance of doing, it will make a very formidable body, and will very probably carry a compact ore-mass. The ore carries ⅔rds Silver to ⅓rd Gold.	
12	—	—		
13	—	—		
14	- -	8,343	There is $. 60 mill-ore, higher in grade, though not as heavy a body as that found in bullion. These developments, though much more favorable than any made in Imperial for five years, do not promise permanent profit, unless the 2,000-foot level should demonstrate the extension of this ore.	
15	177,890	408,894		
16	—	—		
17	- -	- -	Gold, but not in paying quantity. The Mine produces at present no ore.	
18	- -	- -	Yielded a small quantity of ore from the old workings during the past year; and there is low-grade ore yet standing in the Mine.	
19	4,874,323	17,009,179	Has produced during the past year 176,745 tons of ore, of an average mill value of $. 65 per ton, from the 1,000 to 1,500-foot levels. The 1,600-foot level seems to have met with another body of ore. It is highly probable that within the year a fine ore-body will be found between the centres of Yellow Jacket and Crown Point. In one winze the present yield per day is about 500 tons of $. 30 mill-ore, and there is still fully nine months' supply. The middle and north winze shew the same quality, average $. 35. The future success of Crown Point depends much on the explorations in the 1,600 and the work east in the 1,500-foot level.	
20	5,498,986	21,678,061	The tonnage produced from Belcher was about the same as in Crown Point; the quality better. Assays, Gold $. 44·60, Silver $. 8·10, at 1,400 to 1,500-foot level. The quartz carries less Silver the further south it extends. Possibly 12 to 14 months of ore reserves, at 400 tons per day of $. 30 per ton milling value. The product is now about 500 tons per day, from $. 27 to $. 35 per ton.	
21	- -	- -	Ore in seams of very good quality, but sparingly distributed.	
22	—	—		
23	23,702,227	56,716,314	- - -

Appendix, No. 14.

Appendix, No. 14.

PAPER put in by Lord *George Hamilton*, a Member of the Committee.

Messrs. N. M. Rothschild & Sons, London.

Gentlemen, San Francisco, 17 March 1876.

In reply to your inquiry we had the honour to telegraph to you to-day as follows:

"Estimated production this year, 40,000,000 dollars Gold, and about equal amount Silver. Refer to letters 14th January and 16th February; further details by mail." In the above-mentioned letters we gave the estimate of the production of precious metals during the current year at 85 millions dollars, equally divided between Gold and Silver, and we have every reason to think our figures to be as correct as possible, having made personally the most diligent inquiries. We now enclose a statement of the production of Gold and Silver; for the first metal from 1848 to 1873, and for the second from 1860 to 1876 inclusive; the latter figure being estimated from present developments in the mines, as given by the United States Commissioner of Mining Statistics.

	$.
The production of native Gold from Gold mines proper is valued at -	25,000,000
Gold contained in Silver bullion - - - - - - - -	15,000,000
$.	40,000,000

And the production of Silver bullion is estimated at 50 to 55 millions, from which are to be deducted 15 millions Gold contained in the same, leaving the production of Silver proper about 40 millions. From present developments of Silver ore in the principal mines, it is nearly certain that the production of Silver will be maintained at the present figures for several years to come, while the production of Gold, from Gold Mines, has been steadily decreasing, without any present prospect of improvement. Nearly all the Gold goes to the United States Mint, and is generally exported in the shape of coin from New York; and the statistics of exports from that port will give you approximatively the total amount of Gold exported from the United States. It may be assumed that the export of Silver from this port to China amounts to six or seven million dollars per annum, that is of American Silver; the amount is somewhat larger, but the surplus consists of Mexican dollars, which are imported and not produced here. The United States Government has bought, during the last year, some 12 millions dollars in Silver, and it was currently reported during the last few days that they have contracted again for 20 millions, to be paid for on delivery at London market price, less freight and insurance, and adding the difference of exchange from the intrinsic value of the English sovereign, and the price of light exchange in New York on London. This statement lacks still confirmation, but if the contract is not yet made, it is beyond a doubt that the United States Government will buy large amounts of Silver to replace the fractional paper currency, of which 42 millions are in circulation.

The consumption of Silver for the use of arts and manufacturing purposes in the United States is calculated at about six million dollars. These are all the details which I could obtain with regard to the production and use of the precious metals in this country, and I shall keep you informed of all the changes which may occur in the future.

Yours, &c.
(signed) *A. Gansl.*

(Enclosure.)

YEAR.	Production of Gold in the United States as given by United States Commissioner of Mining Statistics.	Production of Silver in the United States.	YEAR.	Production of Gold in the United States as given by United States Commissioner of Mining Statistics.	Production of Silver in the United States.
	$.	$.		$.	$.
1848 - -	10,000,000	Not stated.	1863 - -	40,000,000	12,500,000
1849 - -	40,000,000	„	1864 - -	46,100,000	15,250,000
1850 - -	50,000,000	„	1865 - -	53,225,000	15,500,000
1851 - -	55,000,000	„	1866 - -	53,500,000	14,750,000
1852 - -	60,000,000	„	1867 - -	51,725,000	18,950,000
1853 - -	65,000,000	„	1868 - -	48,000,000	15,750,000
1854 - -	60,000,000	„	1869 - -	49,500,000	13,500,000
1855 - -	55,000,000	„	1870 - -	50,000,000	14,250,000
1856 - -	55,000,000	„	1871 - -	43,500,000	20,250,000
1857 - -	55,000,000	„	1872 - -	36,000,000	25,000,000
1858 - -	50,000,000	„	1873 - -	36,000,000	32,500,000
1859 - -	50,000,000	„	1874 - -	*	30,000,000
1860 - -	46,000,000	500,000	1875 - -	- - -	35,000,000
1861 - -	43,000,000	2,300,000	1876 - -	- - -	50,000,000
1862 - -	39,200,000	6,250,000	$.	1,240,750,000	†322,250,000
				26 years, 1848 to 1873.	17 years, 1860 to 1876.

* Although the figures for Gold are "official," they are, in my opinion, wholly unreliable. Up to about 1857 the product is understated, and since that time considerably over-estimated. My own opinion is, that the production for the present year will be approximately as follows:—

	$.
Native Gold from Gold districts proper - - - -	25,000,000
Gold contained in Silver bullion - - - - - -	15,000,000
TOTAL Gold - - -	40,000,000
Silver, exclusive of Gold contained - - - - -	35,000,000
TOTAL Gold and Silver - - - $.	75,000,000

† About one-third of production of Silver may be taken as Gold, a very large proportion of the Silver production being *doré*. The amount for 1876 is an estimate.

Appendix, No. 15.

Appendix, No. 15.

PAPER put in by the *Chairman*.

ADMINISTRATION des MONNAIES et MEDAILLES.

Production des mines d'argent—Fabrication des monnaies en Californi et dans le Nevada.

Monsieur le Directeur, Virginia (Nevada), 5 Avril 1876.

J'AI l'honneur de vous adresser, en attendant que je vous envoie mes rapports détaillés sur les grandes mines d'argent de Nevada, que j'ai examinées pendant mon séjour dans cet Etat, un nouveau bulletin de la production des métaux précieux pendant le mois de Mars. Je ne m'occuperai, quant à présent, que de la mine "Consolidated Virginia," dont la richesse paraît illimitée, et dépasse de beaucoup celle des autres mines, excepté la mine "California," qui promet des résultats tout aussi extraordinaires, mais qui ne sera exploitée que dans quelques semaines.

Ainsi que j'ai eu l'honneur de vous le faire prévoir dans mon bulletin précédent, la production de la mine "Consolidated Virginia" s'est encore accrue pendant le mois de Mars, dans des proportions qui n'ont jamais été atteintes par les plus riches mines du monde. Voici les résultats extraordinaires obtenus pendant ce mois.

981 barres de métal précieux—

	Dollars.	
Valeur en Or - - - - -	1,636,917 $\frac{56}{100}$	45%
Valeur en Argent - - - -	1,997,301 $\frac{36}{100}$	55%
TOTAL valeur or et Argent - -	3,634,218 $\frac{92}{100}$	

	Dollar.
Valeur moyenne du métal par once - - Or - -	1·034
Valeur moyenne du métal par once - - Argent	1·262
Valeur moyenne totale du métal par once - - -	2·296

La production de la mine "Consolidated Virginia" pendant le 1er trimestre de l'année 1876, se repartit comme il suit:—

	Dollars.
Janvier - - - - - - -	1,796,726 $\frac{90}{100}$
Février - - - - - - -	2,831,930 $\frac{44}{100}$
Mars - - - - - - -	3,634,218 $\frac{92}{100}$
TOTAL - -	8,262,876 $\frac{35}{100}$

Le grand hôtel de la monnaie de San Francisco a fabriqué pendant le mois de Mars, des pièces de monnaie Or et Argent dans les proportions suivantes:—

					Dollars.
Or - - -	Double-aigle, nombre de pièces,	113,000	; valeur,		2,260,000.
	Demi-aigle	„	4,000	„	20,000.
Argent - -	Trade-dollars	„	706,000	„	706,000.
	Demi-dollars	„	34,000	„	17,000.
	Quart-d ollars	„	940,000	„	235,000.
	Dimes (10 sou s)	„	700,000	„	70,000.

Total

Total du nombre de pièces d'or fabriquées, 117,000; valeur, 2,280,000 dollars.

Total du nombre de pièces d'argent fabriquées, 2,380,000; valeur, 1,028,000 dollars.

Le total général du nombre de pièces or et argent fabriquées s'élève à 2,497,000, dont la valeur totale est de 3,308,000 dollars.

L'etablissement de la fabrication des monnaies à Carson, capitale de l'Etat de Nevada, situé à une dizaine de lieues de Virginia city, a donné les résultats suivants pendant le mois de Mars:

Or: double-aigle, 398,680 dollars. Argent: trade-dollars, 85,000 dollars; demi-dollars, 22,000 dollars; quart de dollars, 131,000 dollars; double dimes (pièces nouvelles de 20 sous), 2,000 dollars; dimes (10 sous), 72,000 dollars.—Total: Or - 398,680 dollars.
Argent 312,000 dollars.

Veuillez agréer, Monsieur le Directeur, l'assurance de ma haute considération.

(signé) *Jules Berton*,
Président du Bureau des Mines des Etats du Pacifique.

Monsieur L. Ruau, Directeur de l'Administration des Monnaies, Paris.

Appendix, No. 16.

The following is a Comparison of some of the Columns in the preceding Table.

	Gold.	Silver.	Total.
	£.	£.	£.
(1.) Mr. Raymond's estimate of the production of Gold and Silver in the United States, from 1848 to 1875, is (columns 4, 11, and 16)	264,150,000	50,600,000	314,750,000
The San Francisco Journal of Commerce gives for the production on the Pacific Coast, in the same period (columns 3, 8, and 15)	286,061,902	69,015,335	355,077,237
Excess of the figures of the San Francisco Journal over Mr. Raymond's, in 28 years	21,911,902	18,415,335	40,327,237
(2.) The tables quoted by Mr. Giffen, as showing the production of Gold in the United States, give—(Tooke and Newmarch), 1849 to 1856 (column 1),	88,620,000		
Deposits at United States Mint, 1857 to 1875 (column 2)	110,974,000		
Total, 1849 to 1875	199,594,000		
The San Francisco Journal gives for the same period (column 3)	285,061,902		
Excess of the figures of the San Francisco Journal over Mr. Giffen's, in 27 years	85,467,902		
Compared with Mr. Raymond's figures, Mr. Giffen's tables give, from 1849 to 1875 (columns 1 and 2)	199,594,000		
Mr. Raymond's tables give, from 1849 to 1875 (column 4)	264,150,000		
Excess of Mr. Raymond's figures over Mr. Giffen's, in 27 years	64,556,000		
(3.) Consul Booker gives a return of the Gold and Silver produced in the United States, from 1867 to 1875 (column 17)			105,291,876
For the same nine years the San Francisco Journal gives the production as (column 15)			135,567,983
For the same nine years Mr. Raymond gives the production as (column 16)			119,045,000
Excess of the San Francisco Journal's figures over Consul Booker's, in nine years			30,276,107
Excess of Mr. Raymond's figures over Consul Booker's, in nine years			14,653,124
Consul Booker's return omits to separate Gold from Silver in 1872. Leaving out that year, the figures stand thus:—Consul Booker's statement of actual returns of Silver (column 9)		39,072,249	
But Consul Booker says that one-third of the Silver production is Gold. With this correction, the figures stand thus		26,048,166	
For the same eight years the San Francisco Journal gives (column 8)		49,089,200	
For the same eight years Mr. Raymond (who is said to have already made allowance for the proportion of Gold in the Silver) gives (column 11)		35,250,000	
Excess of the San Francisco Journal's figures over Consul Booker's actual, in eight years		10,016,951	
Excess of the San Francisco Journal's figures over Consul Booker's estimate, in eight years		23,041,034	
Excess of Consul Booker's actual figures over Mr. Raymond's, in eight years		3,822,249	
Excess of Mr. Raymond's figures over Consul Booker's estimate, in eight years		9,201,334	
(4.) Consul-General Archibald gives a table showing the excess of exports of Gold and Silver from New York over imports thither, from 1870 to 1875 (column 26)			61,835,718
The Board of Trade tables show that, in the same period, the imports into the United Kingdom from the United States exceeded the exports thither by (column 20)			60,687,012
(Mr. Giffen's figures are the same as those of the Board of Trade, in round numbers.)			
Excess of exports from New York over imports into United Kingdom from United States, in six years			1,148,706

Appendix, No. 17.

PAPERS put in by Mr. *Ernest Seyd.*

Appendix, No. 17.

COINAGE of the United States One Dollar Silver Pieces.

The Act of Congress of the 13th January 1837 fixed the weights of the Gold and Silver legal coins upon the following basis:—

The 10-dollar Gold piece at 258 grains 900 fine=232·2 grains fine Gold;
The 1-dollar Silver piece at 412½ grains, 900 fine=373·5 grains fine Silver;

giving a proportion of 1 part of Gold to 16 (15·988) of Silver.

The French (and general) system of Gold and Silver valuation fixed the weights of the Gold and Silver legal coins (in 1803) as:—

1 kilogramme Gold, 900 fine, at 3,100 frs.;
1 kilogramme Silver, 900 fine, at 200 frs.;

giving a proportion of 1 part Gold to 15½ of Silver.

If the United States had adopted the same system as France, their silver dollar ought to have weighed 400 (399·9) grains, instead of 412½ grains. The abnormal difference of 12½ grains, or 3 per cent. more Silver, caused the absorption and remelting of the dollars elsewhere, quite irrespective of the fluctuations in the prices of the precious metals in the general markets.

Under the law of 12th February 1873, the United States have coined a still heavier dollar of 420 grains, given a proportion of 1 to 16·278. The round figure of 420 grains was adopted to make this dollar compete with the Mexican and other dollars in the East. It rests on no reliable or true assumption as to the coming decline in the value of Silver. For whereas this new dollar differs now by 5 per cent. from the proportion of 15½, and the value of Silver in 1872, at 60⅞ pence per ounce standard, corresponded thereto, the fall in the value of Silver in 1876 to 53 pence is equal to 11 per cent.

Appendix, No. 18.

Appendix, No. 18.

PAPER prepared by Mr. *Giffen*.

STATEMENT showing the Value of the GOLD and SILVER BULLION and SPECIE Imported into and Exported from the United States of *America* in each Year ended 30th of June 1864 to 1875.—Compiled from the Reports of the Chief of the Bureau of Statistics of the United States.

[*Note.*—The Special Imports and Exports are part of the General Imports and Exports, Special Imports being Imports for Home Consumption, and Special Exports, Exports of Domestic Produce.]

YEARS (ending 30th June).	IMPORTS.				EXPORTS.			
	"GENERAL."		"SPECIAL," *i.e.*, for Home Consumption.		"GENERAL."		"SPECIAL," *i.e.*, of Home Produce.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1864	11,177,000	1,939,000	7,650,000	543,000	100 661,000	4,735,000	97,134,000	3,339,000
1865	5,120,000	2,105,000	3,319,000	1,383,000	41,265,000	3,082,000	39,464,000	2,360,000
1866	7,941,000	2,388,000	6,862,000	57,000	71,196,000	14,847,000	70,127,000	12,516,000
1867	17,025,000	5,045,000	14,228,000	1,950,000	39,027,000	21,841,000	36,230,000	18,746,000
1868	8,737,000	5,451,000	4,497,000	- * -	72,396,000	21,388,000	68,231,000	15,515,000
1869	14,132,000	5,675,000	6,571,000	- * -	36,004,000	21,135,000	28,443,000	14,473,000
1870	12,057,000	14,362,000	7,002,000	5,146,000	33,636,000	24,519,000	28,581,000	15,303,000
1871	6,884,000	14,386,000	4,780,000	2,452,000	66,685,000	31,755,000	64,581,000	19,821,000
1872	8,717,000	5,026,000	7,546,000	- * -	49,549,000	30,329,000	48,378,000	24,421,000
1873	8,682,000	12,798,000	8,297,000	2,480,000	44,857,000	39,751,000	44,472,000	29,433,000
1874	19,503,000	8,952,000	18,106,000	3,418,000	34,043,000	32,588,000	32,046,000	27,054,000
1875	13,697,000	7,204,000	8,260,000	4,367,000	66,980,000	25,150,000	61,543,000	22,313,000

* In these cases the amount of foreign bullion and specie exported is in excess of the total imports by the following amounts: in 1868, 422,000 dollars; in 1869, 987,000 dollars; and in 1872, 882,000 dollars.

Of the above Special Exports of Gold, the following Amounts were Gold Coin:—

YEARS.	*Dollars.*	YEARS.	*Dollars.*	YEARS.	*Dollars.*
1864	86,149,000	1868	44,390,000	1872	40,391,000
1865	35,024,000	1869	14,858,000	1873	35,662,000
1866	49,396,000	1870	12,768,000	1874	28,767,000
1867	22,362,000	1871	55,492,000	1875	59,310,000

Statistical and Commercial Department,
Board of Trade, May 1876.

Appendix, No. 19.

Appendix, No. 19.

PAPER put in by Mr. *Henry Waterfield*.

QUANTITIES and Total Value of the REGISTERED IMPORTS of SILVER COIN and BULLION (in each Year from 1865 to 1874) from the United States of *America* into the United Kingdom, as given in the Annual Statement of the Trade of the United Kingdom for 1874, published by the Board of Trade.

YEARS.	British Silver Coin.	Foreign Silver Coin.	Silver Bullion.	Total Quantities of Silver.	Total Value of Silver.
	Oz.	*Oz.*	*Oz.*	*Oz.*	£.
1865	36,404	202,632	623,115	862,151	230,065
1866	7,304	3,122,078	3,903,843	7,033,225	1,833,297
1867	74,118	2,150,683	3,649,752	5,874,553	1,471,821
1868	8,400	2,211,316	5,800,694	7,620,410	1,915,939
1869	8,000	2,994,807	1,480,059	4,482,862	1,109,739
1870	5,377	7,428,237	6,155,612	13,589,226	3,386,734
1871	36,552	8,060,231	14,511,460	22,608,243	5,688,878
1872	1,000	5,213,259	13,110,055	18,324,314	4,574,869
1873	16,400	4,090,104	19,887,775	23,994,279	5,991,823
1874	33,008	3,512,870	10,359,141	13,905,019	3,476,622
TOTAL for 10 years 1865-74	226,563	38,986,217	79,081,502	118,294,282	29,679,787

Appendix, No. 20.

PAPERS put in by the *Chairman.*

LETTER from the Chairman of the Committee to the Earl of *Derby.*

Committee-room, House of Commons,
20 March 1876.

My Lord,

THE Committee appointed to inquire into the causes of the Depreciation of Silver, find that evidence from Foreign Countries will be indispensable to them in the course of their investigations. I beg, therefore, on behalf of the Committee, to request the assistance of your Lordship in obtaining from our Official Representatives in Foreign Countries such information as they may be able to procure.

The points to which their attention should be specially called, are the following:—

I. In the case of the United States:

Statistics as to the Production of Silver. Statistics as to the Export of Silver. Statistics as to the Coining of Silver. Any information as to the probable amount of Silver Coin in use in the country, or Silver Bullion in stock.

It may be added that it would be particularly interesting to know what estimate is formed, not only of the Export of Silver from San Francisco to China, as treasure, but of the amount which may be carried away by the Chinese labourers returning to their homes.

Lastly, the Committee would be glad to learn whether anything can be ascertained as to the probable part which will be played by Silver when specie payments are resumed, either for the purpose of legal tender or for subsidiary coin.

II. In the case of Germany:

A statement of the events which have occurred in the progress of the operations undertaken for the Demonetisation of Silver; together with a statement of the Legislation bearing on the subject.

Some of the minor facts which it is expedient to know are the following:—

How much Silver has thus far been sold by the German Government?

Who have been the principal purchasers?

To what countries has the Silver sold been despatched?

At what periods have the principal sales taken place, and how have they been conducted?

What further quantity of Silver is the German Government likely still to sell, and when?

How much Silver will be required for subsidiary Coinage in Germany, and what measures are in hand for coining it?

Generally: what have been the operations of the German Mints since the present Coinage policy was initiated?

And, what are the Statistics of the Export and Import of Silver over a given term of years?

III. In the case of Holland:

A copy of theq ueries addressed to Berlin might be sent to our Representative at the Hague, with the request that he should supply the Committee with similar information as regards Holland, so far as the questions are applicable to what has passed in that country.

IV. With regard to France:

It is important to obtain imformation as to the stock of Silver held by the Bank of France at different periods, and any information as to the steps which it may be proposed to take with regard to the sale or purchase of that metal.

General statistics as to the Export and Import of the Precious Metals into France over a series of years, together with statistics as to Coinage operations, would also be valuable.

Details with regard to the operation of the Convention for Coinage purposes between the Governments of France, Belgium, Italy, and Switzerland, formed in 1865, might be added with advantage.

V. With regard to the rest of Europe:

I would suggest that information should be collected as to the Export and Import of Silver, as to Coinage operations over a series of years, and as to the stocks of Gold and Silver which have been held, or are held at present, by the Governments or the Government Banks.

I have, &c.
(signed) *George J. Goschen.*

The Earl of Derby,
&c. &c. &c.

Appendix, No. 21.

Appendix, No. 21.

PAPERS put in by the *Chairman*.

FRANCE.

— No 1. —

(No. 93—Commercial.)

Lord *Lyons* to the Earl of *Derby*.

My Lord, Paris, 11 April 1876.

On the receipt of your Lordship's Commercial Despatch, No. 67, of the 25th ultimo, I applied to the French Government for information on the several points respecting which evidence is called for by the Select Committee of the House of Commons appointed to inquire into the causes of the Depreciation of Silver.

Enclosures 1, 2, and 3. (Not printed.)

Enclosure 4.

I have the honour to transmit herewith to your Lordship copies which have been in consequence sent to me by the Duc Decazes, of the monetary conferences held by the parties to the Convention in 1874, 1875, and 1876. I enclose also a copy of a note from his Excellency, stating that these volumes contain the greater part of the statistical and other information asked for; and that if the Committee of the House of Commons desires additional information on particular points, measures will be taken to supply it.

In my Despatch of the General Series, No. 196, of the 22nd ultimo, I had the honour to inclose to your Lordship the authentic report of the proceedings in the Senate with regard to an "interpellation" by Monsieur de Parieu, in the course of the debate on which the questions of the double monetary standard, and of the present Depreciation of Silver, were discussed.

I mentioned in the same Despatch that the Minister of Finance had brought in a Bill to enable the Government to limit, by Decree, the coinage of Silver five-franc pieces.

Enclosure 5.

On the 29th of last month, Monsieur de Parieu laid on the table of the Senate a Bill, apparently intended to put an end altogether to the coinage of Silver of standard fineness. I enclose the authentic report of the proceedings respecting it.

Enclosure 6. (Not printed.)

I have, moreover, the honour to transmit to your Lordship copies of two articles from the "Economiste Français," which appear to contain some valuable statistics respecting the export from and import into France of the precious metals.

Monsieur Léon Say, the Minister of Finance, has very kindly promised to send me, as soon as possible, the statistical information required by the Committee, so far as it may be in his power to procure it.

Enclosure 7. (Not printed.)

In the meantime, I inclose a return of the quantity of Silver held at different periods by the Bank of France, which I have obtained from an unofficial source.

I have applied for the information respecting Colonel Berton's mission in the United States, called for by your Lordship's Commercial Despatch No. 79 of the 5th instant.

I have, &c.
(signed) *Lyons*.

The Earl of Derby,
&c. &c. &c.

Enclosure 4 in Lord Lyons', No. 93, Commercial.

Mons. l'Ambassadeur, Paris, le 10 Avril 1876.

En réponse à la lettre que vous m'avez fait l'honneur de m'écrire le 27 du mois dernier, je m'empresse d'adresser, ci-joint, à votre Excellence un exemplaire de chacun des recueils de procès verbaux des Conférences monétaires de 1874, 1875, et 1876.

Ces documents renferment la plupart des renseignements statistiques et autres que la Commission chargée par la Chambre des Communes d'une enquête sur les causes de la dépréciation de l'argent a exprimé le désir de recevoir.

Dans le cas où la Commission aurait besoin d'un complément d'informations sur quelques points particuliers, je serais obligé à votre Excellence de vouloir bien me le faire savoir, et je prierais M. le Ministre des Finances de me mettre en mesure de satisfaire à sa demande.

Agréez, &c.
(signé) *Decazes*.

Son Excellence Lord Lyons,
&c. &c. &c.

Enclosure 5 in Lord Lyons', No. 93, Commercial.

DEPOT D'UNE PROPOSITION DE LOI.

M. de PARIEU.—J'ai l'honneur de déposer sur le bureau du Sénat une proposition de loi ainsi conçue :

" *Article unique.*—A partir de la promulgation de la présente loi, il ne sera plus délivré de bons de monnaie pour la fabrication de la monnaie d'argent à 9/10 de fin."

J'ai l'honneur de prier le Sénat d'ordonner que ce projet de loi soit renvoyé dans les bureaux pour être discuté en même temps que le projet présenté par M. le Ministre des Finances, le 21 mars dernier, sur le même objet.

M. le PRÉSIDENT.—Il n'y a pas d'opposition ?

Le projet de loi sera renvoyé aux bureaux.

Plusieurs Sénateurs.—Il faut faire déclarer l'urgence ! (Non ! non !)

M. le PRÉSIDENT.—Le Sénat peut, sans déclaration d'urgence et conformément à son règlement, renvoyer un projet de loi à une commission déjà nommée qui s'occupe des mêmes matières. . .

Un Sénateur.—Elle n'est pas nommée encore !

M. le PRÉSIDENT.—La proposition est donc renvoyée aux bureaux pour être examinée en même temps que le projet présenté par M. le Ministre des Finances.

Enclosure 6 in Lord Lyons', No. 93, Commercial,

Consists of Articles from " L'Economiste Français" de Samedi, 29 Janvier 1876 ;
et Samedi, 12 Février 1876.

(signed) *Clement Juglar.*

— No. 2. —

(No. 96—Commercial.)

Mr. *F. O. Adams* to the Earl of *Derby.*

My Lord, Paris, 13 April 1876.

WITH reference to Lord Lyon's Despatch, No. 93, Commercial, of the 11th instant, I have the honour to transmit herewith the following documents, furnished from the Administration des Monnaies et Médailles by Monsieur Léon Say, in accordance with his Excellency's promise :— 5.

1. " Mouvements des métaux précieux."

2. " Relevé par année des Espèces d'Or fabriquées en France, selon le système décimal de 1803 au 31 Décembre 1875."

3. " Relevé par année des Espèces d'Argent fabriquées en France, selon le système décimal de 1795 au 31 Décembre 1875."

4. " Tableau récapitulatif par type des Espèces d'Or et d'Argent fabriquées en France, selon le système décimal de 1795 au 31 Décembre 1875."

5. " Relevé par année des Monnaies de Bronze fabriquées en France depuis la refonte ordonnée par la loi du 6 Mai 1852 jusqu'au 31 Décembre 1875."

The Minister of Finance states that he has given orders for the collection, as soon as possible, of the other information asked for by Lord Lyons, and that he will forward this information to his Excellency shortly.

I have, &c.

The Earl of Derby, &c. &c. &c.

(signed) *F. O. Adams.*

Enclosure 1 in Mr. Adams', No. 96, Commercial.

MOUVEMENT DES MÉTAUX PRÉCIEUX.

(Valeurs exprimées en Millions).

Les Valeurs ont été Relevées.—18. Pour les années 1815 à 1836, d'après un tableau publié dans l'enquête sur la circulation monétaire et fiduciaire de 1869 (Tome 6e, pages 534 et 535) 2°. A partir de 1837, sur les tableaux officiels du commerce.

ANNÉES.	OR.								ARGENT.								OR ET ARGENT.				COMMERCE SPÉCIAL (non compris l'Or et l'Argent.)				
	Importation.			Exportation.			Différence en Faveur		Importation.			Exportation.			Différence en Faveur		Importation Totale.	Exportation Totale.	Différence en Faveur		Importations.	Exportations.	Total des Importations et Exportations.	Différence en Faveur	
	Brut.	Monnaies.	Total.	Brut.	Monnaies.	Total.	des Importations.	des Exportations.	Brut.	Monnaies.	Total.	Brutes.	Monnaies.	Total.	des Importations.	des Exportations.			des Importations.	des Exportations.				de l'Importation.	de l'Exportation.
1815	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	31	7	24	–	–	–	–	–	–
1816	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	49	155	–	106	–	–	–	–	–
1817	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	112	53	59	–	–	–	–	–	–
1818	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	112	155	–	43	–	–	–	–	–
1819	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	88	89	–	1	–	–	–	–	–
1820	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	110	138	–	28	–	–	–	–	–
1821	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	126	177	–	51	–	–	–	–	–
1822	–	–	43	–	–	39	4	–	–	–	143	–	–	18	125	–	186	57	129	–	–	–	–	–	–
1823	–	–	75	–	–	94	–	19	–	–	126	–	–	12	114	–	201	106	95	–	–	–	–	–	–
1824	–	–	102	–	–	65	37	–	–	–	142	–	–	18	124	–	244	83	161	–	–	–	–	–	–
1825	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	251	135	116	–	–	–	–	–	–
1826	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	174	175	–	1	–	–	–	–	–
1827	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	187	40	147	–	–	–	–	–	–
1828	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	208	29	189	–	–	–	–	–	–
1829	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	148	59	89	–	–	–	–	–	–
1830	–	–	48	–	–	38	10	–	–	–	172	–	–	21	151	–	220	59	161	–	–	–	–	–	–
1831	–	–	24	–	–	14	10	–	–	–	196	–	–	15	181	–	220	29	191	–	–	–	–	–	–
1832	–	–	14	–	–	53	–	39	–	–	118	–	–	58	60	–	132	111	21	–	–	–	–	–	–
1833	–	–	36	–	–	12	24	–	–	–	163	–	–	88	75	–	199	100	99	–	–	–	–	–	–
1834	–	–	25	–	–	32	–	7	–	–	167	–	–	66	101	–	192	98	94	–	–	–	–	–	–
1835	–	–	5	–	–	25	–	20	–	–	131	–	–	57	74	–	136	82	54	–	–	–	–	–	–
1836	–	–	24	–	–	38	–	14	–	–	92	–	–	65	27	–	116	103	13	–	–	–	–	–	–
TOTAUX	–	–	396	–	–	410	85	99	–	–	1,450	–	–	418	1,032	–	3,442	2,040	1,642	230	–	–	–	–	–

1837	6	23	29	22	13	35	–	6	23	145	168	1	23	24	144	–	197	59	138	–	569	514	1,083	55	–
1838	3	16	19	10	13	23	–	4	23	131	154	2	32	34	120	–	173	57	116	–	656	659	1,315	–	3
1839	7	36	43	–	19	19	24	–	15	117	132	5	52	57	75	–	175	76	99	–	651	677	1,328	–	26
1840	10	49	59	1	9	10	49	–	21	139	160	27	37	64	96	–	219	74	145	–	747	695	1,442	52	–
1841	4	11	15	7	13	20	–	5	19	151	170	16	37	53	117	–	185	73	112	–	804	761	1,565	43	–
1842	2	6	8	12	8	20	–	12	29	109	138	11	35	46	92	–	146	66	80	–	846	644	1,490	202	–
1843	3	7	10	26	25	51	–	41	39	118	157	9	45	54	103	–	167	105	62	–	845	687	1,532	158	–
1844	2	3	5	5	6	11	–	6	44	107	151	18	51	69	82	–	156	80	76	–	867	790	1,657	77	–
1845	3	2	5	13	6	19	–	14	46	113	159	14	55	69	90	–	164	88	76	–	856	848	1,704	8	–
1846	4	4	8	12	5	17	–	9	26	81	107	14	46	60	47	–	115	77	38	–	920	852	1,772	68	–
1847	5	16	21	9	25	34	–	13	49	89	138	17	68	85	53	–	159	119	40	–	956	720	1,676	236	–
1848	5	39	44	3	3	6	38	–	39	194	233	1	18	19	214	–	277	25	252	–	474	690	1,164	–	216
1849	5	7	12	1	5	6	6	–	62	229	291	3	44	47	244	–	205	53	250	–	724	938	1,662	–	214
1850	30	31	61	32	12	44	17	–	25	130	155	10	72	82	73	–	216	126	90	–	791	1,068	1,859	–	277
1851	22	94	116	14	17	31	85	–	21	158	179	33	68	101	78	–	295	132	163	–	765	1,158	1,923	–	393
1852	19	40	59	11	31	42	17	–	22	158	180	28	155	183	–	3	239	225	14	–	989	1,257	2,246	–	208
1853	261	58	319	6	24	30	289	–	17	96	113	41	189	230	–	117	432	260	172	–	1,196	1,542	2,738	–	346
1854	368	113	481	9	56	65	416	–	12	88	100	73	191	264	–	164	581	329	252	–	1,291	1,414	2,705	–	123
1855	275	106	381	5	158	163	218	–	43	78	121	77	241	318	–	197	502	481	21	–	1,594	1,558	3,152	36	–
1856	273	192	465	1	89	90	375	–	12	98	110	139	255	394	–	284	575	484	91	–	1,990	1,893	3,883	97	–
1857	291	278	569	3	120	123	446	–	18	80	98	152	306	458	–	360	667	581	86	–	1,873	1,866	3,739	7	–
1858	253	301	554	1	65	66	488	–	15	146	161	98	78	176	–	15	715	242	473	–	1,563	1,887	3,450	–	324
1859	358	369	727	5	183	188	539	–	12	199	211	190	192	382	–	171	938	570	368	–	1,641	2,266	3,907	–	625
1860	279	191	470	32	127	159	311	–	12	119	131	146	142	288	–	157	601	447	154	–	1,897	2,277	4,174	–	380
1861	17	227	244	58	210	268	–	24	21	151	172	80	154	234	–	62	416	502	–	86	2,442	1,926	4,368	516	–
1862	119	283	402	42	195	237	165	–	28	104	132	116	102	218	–	86	534	455	79	–	2,198	2,242	4,440	–	44
1863	83	287	370	86	272	358	12	–	28	133	161	126	103	229	–	68	531	587	–	56	2,426	2,643	5,069	–	217
1864	110	354	464	33	306	339	125	–	64	204	268	134	176	310	–	42	732	649	82	–	2,528	2,924	5,452	–	396
1865	96	323	419	56	213	269	150	–	94	142	236	93	71	164	72	–	655	433	222	–	2,642	3,088	5,730	–	446
1866	169	644	813	68	280	348	465	–	75	175	250	111	94	205	45	–	1,063	553	510	–	2,793	3,181	5,974	–	388
1867	225	369	594	43	142	185	409	–	70	184	254	46	19	65	189	–	848	250	598	–	3,026	2,826	5,852	200	–
1868	200	293	493	30	251	281	212	–	64	129	193	27	57	84	109	–	686	365	321	–	3,304	2,790	6,094	514	–
1869	157	298	455	36	144	180	275	–	64	129	193	37	44	81	112	–	648	261	387	–	3,153	3,075	6,228	78	–
1870	69	241	310	100	91	191	119	–	32	74	106	26	45	71	35	–	416	262	154	–	3,498	3,456	6,954	42	–
1871	8	136	144	3	355	358	–	214	47	110	157	18	124	142	15	–	301	500		199	3,567	2,872	6,439	695	–
1872	19	123	142	6	189	195	–	53	54	187	241	16	123	139	102	–	383	334	49	–	3,570	3,762	7,332	–	192
1273	38	138	176	8	276	284	–	108	202	187	389	15	193	208	181	–	565	492	73	–	3,555	3,787	7,342	–	232
1874	128	389	517	3	83	86	431	–	87	347	434	24	50	74	360	–	951	160	791	–	3,508	3,701	7,209	–	193
1875	212	381	593	26	113	139	454	–	113	166	279	34	51	85	194	–	872	224	648	–	3,672	4,022	7,694	–	350
TOTAUX	4,138	6,478	10,616	838	4,152	4,990	6,135	509	1,687	5,495	7,182	2,028	3,838	5,866	3,042	1,726	17,798	10,856	7,283	341	71,387	73,956	145,343	3,084	5,653

Enclosure 2 in Mr. Adams', No. 96, Commercial.

RELEVÉ par année des Espèces d'Or fabriquées en *France*, selon le Système Décimal de 1803 au 31 Décembre 1875.

ANNÉES	MONNAIES D'OR.—VALEUR NOMINALE.							Désignation des Types.
	100 *f.*	50 *f.*	40 *f.*	20 *f.*	10 *f.*	5 *f.*	TOTAL.	
	francs.	*francs.*	*francs.*	*francs.*	*francs.*	*francs.*	*francs.*	
1803	-	-	9,044,600	1,165,240	-	-	10,209,840	Napoléon I.
1804	-	-	10,136,240	28,327,740	-	-	38,463,980	
1805	-	-	10,068,280	10,406.220	-	-	20,474,500	
1806	-	-	15,494,760	23,039,000	-	-	38,533,760	
1807	-	-	1,231,040	16,788,880	-	-	18,019,920	
1808	-	-	2,651,760	29,659,500	-	-	32,311,260	
1809	-	-	804,240	14,402,200	-	-	15,206,440	
1810	-	-	2,334,560	43,736,040	-	-	46,070,600	
1811	-	-	50,723,880	81,411,860	-	-	132,135,740	
1812	-	-	28,281,920	69,435,960	-	-	97,717,880	
1813	-	-	1,918,600	60,741,080	-	-	62,659,680	
1814	-	-	-	64,544,720	-	-	64,544,720	
1815	-	-	-	55,379,840	-	-	55,379,840	Louis XVIII.
1816	-	-	2,349,160	12,802,120	-	-	15,151,280	
1817	-	-	3,619,440	48,577,640	-	-	52,197,080	
1818	-	-	14,553,440	80,857,020	-	-	95,410,460	
1819	-	-	184,400	52,226,260	-	-	52,410,660	
1820	-	-	219,200	28,561,880	-	-	28,781,080	
1821	-	-	-	404,140	-	-	404,140	
1822	-	-	39,360	4,678,740	-	-	4,718,100	
1823	-	-	6.440	401,740	-	-	408,180	
1824	-	-	582,160	6,489,540	-	-	7,071,700	
1825	-	-	2,029,440	43,586,920	-	-	45,616,360	Louis XVIII. et Charles X.
1826	-	-	2,480	923,060	-	-	925,540	Charles X.
1827	-	-	4,240	3,156,700	-	-	3,160,940	
1828	-	-	2,080,560	5,945,180	-	-	8,025,740	
1829	-	-	843,600	274,580	-	-	1,118,180	
1830	-	-	14,218,480	9,298,160	-	-	23,516,640	
1831	-	-	2,502,520	47,138,860	-	-	49,641,380	Louis Philippe.
1832	-	-	1,057,600	988.660	-	-	2,046,260	
1833	-	-	8,913,640	7,886.140	-	-	16,799,780	
1834	-	-	12,564,320	17,666,880	-	-	30,231.200	
1835	-	-	1,491,520	3,058,540	-	-	4,550,060	
1836	-	-	2,109,520	2,987,520	-	-	5,097,040	
1837	-	-	1,128,960	897,780	-	-	2,026,740	
1838	-	-	1,241,080	3,699,060	-	-	4,940,140	
1839	-	-	920	20,669,080	-	-	20,670,000	
1840	-	-	-	40.998,240	-	-	40,998,240	
1841	-	-	-	12,375,060	-	-	12,375,060	
1842	-	-	-	1,852,720	-	-	1,852,720	
1843	-	-	-	2,826,600	-	-	2,826,600	
1844	-	-	-	2,742,260	-	-	2,742,260	
1845	-	-	-	119,140	-	-	119,140	
1846	-	-	-	2,086,420	-	-	2,086,420	
1847	-	-	-	7,706,020	-	-	7,706,020	
1848	-	-	-	39,697,740	-	-	39,697,740	République.
1849	-	-	-	27,109,560	-	-	27,109,560	
1850	-	-	-	79,271,880	5,920,510	-	85,192,390	
1851	-	-	-	251,704,280	18,005,290	-	269,709,570	
1852	-	-	-	13,881,300	13,146,970	-	27,028,270	L. N. Bonaparte.
1853	-	-	-	312,964,020	-	-	312,964,020	Napoléon III.
1854	-	-	-	469,719,140	38,998,020	17,811,040	526,528,200	
1855	5,507,400	7,740,250	-	367,995,660	61,495,850	4,688,660	447,427,820	
1856	5,767,900	5,018,350	-	374,917,980	107,777,340	14,800,425	508,281,995	
1857	10,344,700	15,975,050	-	383,864,280	144,981,360	17,395,835	572,561,225	
1858	9,397,800	4,713,750	-	377,552,700	82,110,460	14,914,925	488,689,635	
1859	3,093,100	3,328,000	-	523,321,500	133,258,890	39,696,300	702,697,790	
1860	540,500	1,443,850	-	318,932,700	80,755,550	26,779,825	428,452,425	
1861	-	-	-	80,605,060	10,292,140	7,319,200	98,216,400	
1862	972,800	1,586,400	-	154,648,660	47,121,180	9,912,950	214,241,990	
1863	374,500	412,550	-	153,455,860	42,516,370	13,471,360	210,230,640	
1864	686,900	1,434,100	-	207,641,940	47,885,200	16,195,625	273,843,765	
1865	151,700	187,000	-	120,797,160	32,492,950	8,258,025	161,886,835	
1866	1,211,600	2,823,100	-	279,403,560	64,959,170	16,685,495	365,082,925	
1867	711,600	1,021,850	-	148,790,280	35,502,740	12,553,040	198,579,510	
1868	231,500	794,700	-	282,202,540	45,328,110	11,519,835	340,076,685	
1869	4,308,400	89,750	-	227,256,940	1,093,510	1,437,590	234,186,190	
1870	1,046,000	-	-	54,348,800	-	-	55,394,800	
1871	-	-	-	50,169,880	-	-	50,169,880	République.
1872	-	-	-	-	-	-	-	
1873	-	-	-	-	-	-	-	
1874	-	-	-	24,319,700	-	-	24,319,700	
1875	-	-	-	234,912,000	-	-	234,912,000	
TOTAUX	44,346,400	46,568,700	204,432,360	6,532,406,060	1,013,641,610	233,440,130	8,074,835,260	

Enclosure 3 in Mr. Adams', No. 9, Commercial.

RELEVÉ par année des Espèces d'ARGENT fabriquées en *France* selon le Système Décimal de 1795 au 31 Décembre 1875.

ANNÉES.	MONNAIES d'ARGENT.—VALEUR NOMINALE.							Désignation des Types.
	5 *f.*	2 *f.*	1 *f.*	50 *centimes.*	25 *centimes.*	20 *centimes.*	TOTAL général.	
	francs.	*francs.*	*francs.*	*francs. c.*	*francs. c.*	*francs. c.*	*francs. c.*	
Ans IV. et V.	41,399,385	—	—	—	—	—	—	
An VI. -	11,917,300	—	—	—	—	—	—	
„ VII. -	18,979,705	—	—	—	—	—	—	
„ VIII. -	13,852,230	—	—	—	—	—	—	
„ IX. -	3,816,595	—	—	—	—	—	—	
„ X. -	4,842,785	—	—	—	—	—	—	
„ XI. - (6 mois.)	11,429,255	—	—	—	—	—	—	
	106,237,255	- -	- -	- -	- -	- -	106,237,255	Type Hercule.
An XI. - (6 mois.)	22,827,000	- -	329,308	103	- -	- -	23,171,998	Bonaparte, 1er. Consul.
„ XII. -	42,303,315	1,139,340	3,356,341	614,838 50	103,361 25	- -	47,517,195 75	
„ XIII. -	39,181,990	2,732,522	3,868,477	492,192 50	90,725	- -	46,385,909 50	
„ XIV. - (3 mois et 10 jours.)	22,428,245	1,151,648	1,516,698	127,580 50	17,480	- -	25,241,651 50	Napoléon 1er.
1807 - -	4,022,115	477,598	408,539	74,482	26,169	- -	5,008,903	
1808 - -	46,911,430	3,011,602	11,822,227	6,087,198 50	1,464 75	- -	67,833,922 25	
1809 - -	39,927,225	1,505,412	1,758,833	1,096,490	8,534	- -	44,296,494	
1810 - -	51,722,400	2,017,010	2,392,942	1,037,864 50	- -	- -	57,170,216 50	Napoléon 1er (Tête laurée).
1811 - -	244,737,480	7,101,258	2,872,497	1,687,805	- -	- -	256,399,040	
1812 - -	155,228,065	2,334,552	1,600,992	1,622,800 50	- -	- -	160,786,409 50	
1813 - -	130,014,265	2,756,370	1,344,529	785,149 50	- -	- -	134,900,313 50	
1814 - -	60,788,535	313,576	70,740	71,270	- -	- -	61,244,121	
1815 - -	37,660,240	13,566	- -	- -	- -	- -	37,673,806	
1816 - -	34,183,345	182,828	392,946	158,407 50	- -	- -	34,917,526 50	
1817 - -	35,044,790	1,137,824	619,653	289,241 50	52,071 25	- -	37,143,579 75	
1818 - -	12,099,695	161,076	91,921	41,535 50	11,848 75	- -	12,406,076 25	
1819 - -	20,944,005	167,054	85,926	30,612	7,480 25	- -	21,235,077 25	Louis XVIII.
1820 - -	18,061,460	230,752	106,503	33,543	4,362 50	- -	18,436,620 50	
1821 - -	66,775,910	383,446	309,724	59,303 50	5,482 50	- -	67,533,866	
1822 - -	98,441,395	1,156,126	746,713	317,371 50	17,532 25	- -	100,679,137 75	
1823 - -	80,340,750	1,393,938	777,047	374,590 50	25,354 50	- -	82,911,680	
1824 - -	111,572,835	1,596,904	935,383	341,978	28,907 75	- -	114,476,007 75	
1825 - -	72,869,470	1,254,190	877,511	211,208	10,912 50	- -	75,203,291 50	
1826 - -	88,732,310	1,094,354	676,229	293,029	39,701	- -	90,835,623	
1827 - -	149,580,405	2,474,510	1,255,500	462,748 50	95,814 75	- -	153,868,978 25	Charles X.
1828 - -	157,130,665	2,213,302	1,440,251	521,708 50	160,207 25	- -	161,466,133 75	
1829 - -	99,645,450	1,469,046	908,713	513,143	106,265 25	- -	102,642,617 25	
1830 - -	118,696,115	569,018	452,112	277,512 50	192,232 25	- -	120,187,089 75	
1831 - -	203,292,395	183,608	1,402,504	242,775	102,482	- -	205,223,764	
1832 - -	134,305,315	4,751,940	1,244,612	809,771	242,277	- -	141,353,915	
1833 - -	154,425,595	1,732,648	792,565	405,222 50	126,832 50	- -	157,482,863	
1834 - -	211,534,020	3,988,978	1,630,050	768,333	367,003 75	- -	218,288,384 75	
1835 - -	95,811,105	1,862,692	1,105,231	617,477	269,644 25	- -	99,666,149 25	
1836 - -	41,518,825	774,540	388,095	306,705	254,234 25	- -	43,242,399 25	
1837 - -	109,202,540	1,308,036	767,636	300,380	280,105 75	- -	111,858,697 75	
1838 - -	86,240,080	1,097,834	562,762	313,553	275,095 25	- -	88,489,324 25	
1839 - -	71,538,785	657,580	648,119	448,103	345,155	- -	73,637,742	Louis Philippe.
1840 - -	61,305,885	680,930	779,595	682,471 50	346,645 50	- -	63,795,527	
1841 - -	73,299,680	941,912	1,702,771	1,110,548	463,030	- -	77,517,941	
1842 - -	65,879,910	829,340	758,313	572,717	350,890 25	- -	68,391,170 25	
1843 - -	71,858,950	1,054,110	584,904	315,956	335,078 25	- -	74,148,998 25	
1844 - -	66,975,560	898,260	597,020	348,986 50	315,153 50	- -	69,134,980	
1845 - -	83,903,290	1,241,556	1,681,307	1,792,216 50	1,349,240	- -	89,967,609 50	
1846 - -	42,211,015	922,562	2,163,487	2,137,244 50	451,837	- -	47,886,145 50	
1847 - -	71,610,030	1,700,580	2,476,168	1,744,879	753,500	- -	78,285,157	
1848 - -	119,052,945	274,366	248,567	118,327	36,890 25	- -	119,731,095 25	
1849 - -	203,831,545	1,391,200	1,323,616	1,327 50	- -	975 40	206,548,663 90	République.
1850 - -	80,603,390	2,138,206	1,288,728	1,118,181	- -	1,309,980 20	86,458,485 20	
1851 - -	57,496,450	499,496	374,256	308,997 50	- -	648,109 40	59,327,308 90	
1852 - -	69,951,000	67,802	1,278,542	621,101 50	- -	- -	71,918,445 50	L. Napoléon Bonaparte.
1853 - -	19,458,160	232,136	182,508	76,915	- -	149,769 20	20,099,488 20	
1854 - -	53,075	430,206	763,973	540,117	- -	336,516 20	2,123,887 20	
1855 - -	24,305,865	164,862	757,000	200,129 50	- -	72,449	25,500,305 50	
1856 - -	45,777,405	2,445,948	4,057,659	1,938,762	- -	202,440	54,422,214	Napoléon III. Type sans couronne, 1853 á 1860.
1857 - -	467,030	677,928	1,680,695	815,930 50	- -	168,027 80	3,809,611 30	
1858 - -	133,950	2,576	5,606,916	2,779,255 50	- -	140,871 20	8,663,568 70	
1859 - -	16,825	1,788	5,162,891	2,496,372	- -	723,937 80	8,401,813 80	
1860 - -	- -	- -	4,073,564	2,106,121	- -	1,904,513 60	8,034,198 60	
1861 - -	110,490	- -	2,230,277	177,282 50	- -	- -	2,518,049 50	
1862 - -	105,645	- -	1,124,489	1,278,478 50	- -	10,785 20	2,519,397 70	
1863 - -	108,435	- -	73,073	68,505 50	- -	79,597	329,610 50	
1864 - -	160,840	- -	22,202	*7,025,770 50*	- -	*87,797 40*	7,296,609 90	Napoléon III., Tête laurée, 1861 à 1870.
1865 - -	485,670	- -	- -	*8,736,724 50*	- -	- -	9,222,394 50	
1866 - -	189,465	*13,505,354*	*23,244,625*	*7,338,778*	- -	*543,187*	44,821,409	
1867 - -	54,051,560	*17,819,748*	*25,518,054*	*14,605,935 50*	- -	*1,763,242 20*	113,758,539 70	
1868 - -	93,620,550	*9,165,682*	*25,194,278*	*1,394,256*	- -	*70,502*	129,445,268	
1869 - -	58,264,285	*2,942,402*	*6,029,210*	*900,000*	- -	*40,000*	68,175,897	
1870 - -	53,648,350	*12,622,584*	*2,780,322*	- -	- -	- -	69,051,256	
1871 - -	4,710,905	*14,456,574*	*4,231,629*	*479,391 50*	- -	- -	23,878,499 50	
1872 - -	389,190	*7,547,588*	*15,958,333*	*2,943,258 50*	- -	- -	26,838,369 50	
1873 - -	154,649,045	*1,056,152*	*19,401*	*345,862*	- -	- -	156,270,160	République.
1874 - -	59,996,010	- -	- -	*613,978 50*	- -	- -	60,609,988 50	
1875 - -	75,000,000	- -	- -	- -	- -	- -	75,000,000	
TOTAL -	4,989,659,220	152,088,526	193,547,902	89,786,394	7,671,101 25	8,252,700 60	5,441,005,843 85	

Nota.—Les chiffres italiques indiquent les fabrications au titre de 835 millièmes.

Enclosure 4 in Mr. Adams',

TABLEAU récapitulatif par type des Espèces d'Or et d'Argent fabriquées

TYPES DES MONNAIES.	OR.—Valeur Nominale. 100 *fr.*	50 *fr.*	40 *fr.*	20 *fr.*	10 *fr.*	5 *fr.*	Total.	
	francs.	*francs.*	*francs.*	*francs.*	*francs.*	*francs.*	*francs.*	
1er République (Hercule)	- -	- -	- -	- -	- -	- -	- -	1
Bonaparte et Napoléon	- -	- -	132,689,880	395,334,560	- -	- -	528,024,440	2
Louis XVIII.	- -	- -	21,579,440	367,753,620	- -	- -	389,333,060	3
Charles X.	- -	- -	19,152,960	33,765,960	- -	- -	52,918,920	4
Louis Philippe	- -	- -	31,010,080	184,902,720	- -	- -	215,912,800	5
République (Hercule pour l'Argent, génie pour l'Or).	- -	- -	- -	56,921,220	- -	- -	56,921,220	6
République (déesse)	- -	- -	- -	334,407,060	35,954,580	- -	370,361,640	7
L. N. Bonaparte, Napoléon III.	44,346,400	46,568,700	- -	4,849,919,340	977,687,030	233,440,130	6,151,961,600	8
République (déesse)	- -	- -	- -	- -	- -	- -	- -	9
République (Hercule pour l'Argent, génie pour l'Or).	- -	- -	- -	309,401,580	- -	- -	309,401,580	10
Total des fabrications	44,346,400	46,568,700	204,432,360	6,532,406,060	1,013,641,610	233,440,130	8,074,835,260	11
à déduire :								
Les pièces retirées de la circulation.	- -	- -	- -	- -	48,589,920	22,492,940	71,082,860	12
Reste en monnaies Argent cours.	44,346,400	46,568,700	204,432,360	6,532,406,060	965,051,690	210,947,190	8,003,752,400	13

Enclosure 5 in Mr. Adams',

RELEVÉ par année des Monnaies de Bronze fabriquées en *France* depuis

ANNÉES.	BRONZE.—Valeur 10 *centimes.*	5 *centimes.*	2 *centimes.*	
	francs. c.	*francs.* c.	*francs.* c.	
1852	57,725 40	- - -	- - -	1
1853	2,929,174 90	1,810,902 75	33,332 32	2
1854	6,163,216 20	6,374,893 65	318,007 08	3
1855	8,177,190 80	6,261,596 75	326,115 78	4
1856	7,419,584 10	5,294,889 45	315,210 40	5
1857	1,218,948 30	960,622 55	170,000 06	6
	25,965,839 70	20,702,905 15	1,162,665 64	7
1861	1,262,624 90	1,028,144 15	195,702 58	8
1862	1,468,213 30	1,047,439 10	285,282 18	9
1863	1,073,429	1,194,440 05	194,996 12	10
1864	768,433	749,698 20	- - -	11
1865	640,436 60	492,233 20	- - -	12
1870	- - -	- - -	- - -	13
	31,178,976 50	25,214,859 85	1,838,646 52	14
1870	88,891 50	- - -	- - -	15
1871	186,640 50	112,695 15	- - -	16
1872	875,751 60	416,361 30	- - -	17
1873	409,787 50	174,424 65	- - -	18
1874	253,128 40	152,788 35	- - -	19
1875	57,338 70	97,661 30	- - -	20
	33,050,514 20	26,168,791 10	1,838,646 52	21

No. 96, Commercial.

en *France* selon le Système Décimal de 1795 au 31 Décembre 1875.

	ARGENT.—Valeur Nominale.							Total des Fabrications d'Or et d'Argent.
	5 *fr.*	2 *fr.*	1 *fr.*	50 *centimes.*	25 *centimes.*	20 *centimes.*	Total.	
	francs.	*francs.*	*francs.*	*francs.* *c.*	*francs.* *c.*	*francs.* *c.*	*francs.* *c.*	*francs.* *c.*
1	106,237,255	- -	- -	- - -	- - -	- - -	106,237,255	106,237,255
2	817,952,380	24,554,454	31,362,123	13,713,364 50	247,734	- - -	887,830,055 50	1,415,854,495 50
3	601,048,050	7,374,764	4,393,242	1,852,464	161,589 75	- - -	614,830,109 75	1,004,163,169 75
4	616,468,675	8,089,604	5,282,890	2,073,468 50	596,683	- - -	632,511,320 50	685,430,240 50
5	1,692,802,395	24,901,472	19,533,706	13,035,665 50	6,665,094 50	- - -	1,756,938,333	1,972,851,133
6	259,628,845	- -	- -	- - -	- - -	- - -	259,628,845	316,550,065
7	188,621,505	4,230,904	3,249,740	1,544,474	- - -	1,972,813 60	199,619,436 60	569,981,076 60
8	401,881,920	55,631,380	109,517,138	52,984,467	- - -	6,279,887	626,294,792	6,778,256,392
9	12,116,375	27,305,948	20,209,063	4,582,490 50	- - -	- - -	64,213,876 50	64,213,876 50
10	292,901,820	- -	- -	- - -	- - -	- - -	292,901,820	602,303,400
11	4,989,659,220	152,088,526	193,547,902	89,786,394	7,671,101 25	8,252,700 60	5,441,005,843 85	13,515,841,103 85
12	- -	72,972,442	90,572,350	45,202,439	7,671,101 25	5,747,972	222,166,304 25	293,249,164 25
13	4,989,659,220	79,116,084	102,975,552	44,583,955	- - -	2,504,728 60	5,218,839,539 60	13,222,591,939 60

No. 96, Commercial.

la refonte ordonnée par la loi du 6 Mai 1852 jusqu'au 31 Décembre 1875.

	Nominale. 1 *centime.*	Total.	TYPES.	OBSERVATIONS.
	francs. *c.*	*francs.* *c.*		
1	- - -	57,725 40	Napoléon III.	
2	106,862 15	4,880,272 12		
3	119,785 72	12,975,902 65		
4	181,148 13	14,946,051 46		
5	150,793 52	13,180,477 47		
6	109,999 99	2,459,570 90		
7	668,589 51	48,500,000		
8	124,083 07	2,610,554 70	Napoléon III. (Tête laurée).	
9	228,254 92	3,029,189 50		
10	46,589 93	2,509,455 10		
11	- - -	1,518,131 20		
12	- - -	1,132,669 80		
13	10,000	10,000		
14	1,077,517 43	59,310,000 30	Total des Monnaies au type de Napoléon III.	
15	- - -	88,891 50	République.	
16	- - -	299,335 65		
17	20,000	1,312,112 90		
18	- - -	584,212 15		
19	10,000	415,916 75		
20	30,000	185,000		
21	1,137,517 43	62,195,469 25		

Appendix, No. 21.

— No. 3. —

Mr. *F. O. Adams* to the Earl of *Derby*.

(No. 102, Commercial.)

My Lord, Paris, 15 April 1876.

I HAVE the honour to enclose herewith to your Lordship, extracted from the "Journal Officiel" of this day, a *projet de loi*, presented to the Chamber of Deputies by M. Léon Say, to limit and suspend the coinage of silver five-franc pieces.

I have, &c.

Her Majesty's Principal Secretary of State for Foreign Affairs, &c. &c. &c.

(signed) *F. O. Adams.*

Enclosure in Mr. Adams', No. 102, Commercial.

SÉNAT.

ANNEXE No. 6.

(Séance du 21 Mars 1876.)

PROJET DE LOI relatif au droit de limiter et de suspendre la fabrication des pièces de cinq francs en Argent, présenté au nom de M. le maréchal de Mac Mahon, duc de Magenta, Président de la République, par M. Léon Say, Ministre des Finances.

EXPOSÉ DES MOTIFS.

La convention de 1865 a établi pour 15 années une union entre la Belgique, la France, l'Italie et la Suisse en ce qui regarde le poids, le titre, le module et le cours de leurs espèces monayées d'or et d'argent.

Le principe de cette union consistait :

1°. Dans une identité absolue des monnaies des quatre puissances au point de vue du titre et du poids, la seule différence étant dans l'effigie ;

2°. Dans la fabrication illimitée au profit des détenteurs de métaux précieux des pièces d'or et de toutes coupures et des pièces d'argent de cinq francs avec admission réciproque des-dites monnaies dans les caisses publiques des Etats de l'union ;

3°. Dans la limitation à un contingent déterminé de 6 fr. par tête d'habitant (239,000,000 pour la France) de la fabrication pour le compte de l'Etat, des monnaies d'appoint.

Cette convention consacrait dans le principe de notre législation intérieure, qui est celui de la faculté illimitée, pour les détenteurs de métaux précieux, de convertir ces métaux en monnaie ; ce qui veut dire qu'on peut payer ce qu'on doit en France avec des métaux précieux tirés des pays de production.

Depuis 1865, une certaine dépréciation étant survenue dans la valeur de l'argent, les puissances signataires de la convention ont cru prudent, à partir de 1874, de limiter la fabrication des pièces de 5 francs en argent. Un contingent total a été assigné à l'union. Le contingent de 120 millions pour 1874, élevé à 150 millions pour 1875 et ramené pour 1876 à 120 millions (1), constituait pour l'ensemble des puissances un maximum de fabrication.

Le contingent spécial de la France a été
En 1874, de 60 millions.
En 1875, de 75 millions.

Il est, en 1876, de 54 millions, avec faculté d'engager la fabrication, en 1877, pour 27 millions, ce qui implique pour les engagements à prendre par les hôtels des monnaies une limitation à 81 millions jusqu'à nouvelle entente ; mais comme la législation intérieure de la France n'a pas été changée, le contingent, qui est un maximum au point de vue de l'Etat, devient au contraire un minimum au point de vue des particuliers.

En effet, du moment que la France peut laisser fabriquer pour 54 millions de francs en pièces de 5 francs, les détenteurs d'argent sont autorisés à soutenir qu'on ne doit pas et qu'on ne peut pas les priver du droit de convertir leurs lingots en monnaie, tant qu'on ne viole

(1) La Grèce a été admise à entrer dans l'Union et le contingent qui lui a été attribué a été formé avec les prélèvements faits sur les contingents des autres puissances. C'est pour cette raison que le contingent total étant le même qu'en 1874 le contingent de la France se trouve néanmoins réduit de 6 millions de francs.

viole pas la convention internationale, c'est-à-dire tant qu'on n'a pas atteint la limite assignée. Ils peuvent donc demander à faire fabriquer des pièces de 5 francs jusqu'à épuisement complet du contingent de la France.

Il nous paraît opportun dans les circonstances actuelles de faire concorder notre législation monétaire intérieure avec ce que nous pouvons appeler notre législation monétaire internationale.

Déjà la Belgique est entrée dans cette voie, et une loi intérieure du 18 Décembre 1873, a accordé au gouvernement le droit de limiter et de suspendre la fabrication des pièces de 5 francs en argent, même en dehors de toute convention internationale. C'est ce même droit que nous vous demandons de nous conférer.

Il est convenable, en effet, en présence de la dépréciation très-sensible de la valeur de l'argent, de prendre une situation expectante, c'est-à-dire ne ne pas augmenter la quantité des pièces d'argent dont l'Etat est responsable et dont l'échange contre des pièces d'or, si cet échange devenait nécessaire, devrait être fait au compte et aux frais de l'Etat.

Nous ne croyons pas devoir traiter la question de principe et nous n'avons pas la prétention de résoudre le problème du double ou du simple étalon monétaire.

Les phénomènes de hausse et de baisse dans la valeur respective des métaux précieux sont des phénomènes difficiles à expliquer et dont les mouvements se développent sur un grand nombre d'années. Ce que l'on croit être une baisse permanente n'est souvent qu'une oscillation dont la loi n'est connue qu'après un délai prolongé.

Il n'en est pas moins vrai que l'argent se déprécie et que des causes diverses peuvent être considérées comme ayant été et comme étant encore en action pour amener ce résultat.

Si le rapport entre la valeur de l'or et celle de l'argent est destiné à subir de grandes variations, il y aura lieu de chercher des solutions; aujourd'hui, nous vous demandons de ne rien compromettre et de poursuivre l'étude des faits en restant dans le *statu quo*.

Les causes de la dépréciation de l'argent sont multiples, et l'influence de chacune de ces causes est diversement appréciée. En résumé, elles peuvent se ramener à trois principales:

La première est la démonétisation de l'argent en Allemagne, et l'exportation forcée qui en est résultée. L'argent exporté a dû être vendu pour obtenir en échange l'or destiné à la fabrication des nouvelles monnaies d'or allemandes, qui remplacent les pièces d'argent du système des thalers et des florins.

La seconde cause est la production croissante des mines d'argent de l'Amérique du Nord.

La troisième est la diminution considérable qui s'est produite, depuis un certain nombre d'années, dans les importations de lingots d'argent et d'espèces d'argent monnayées dans l'Inde anglaise.

Cette diminution tient aux récoltes de l'Inde, aux famines qui ont été la conséquence des récoltes insuffisantes, au changement qui s'est produit dans la nature, la quantité et la valeur des produits échangés entre l'Europe et l'Inde.

Elle tient aussi à l'augmentation de dépenses faite par le gouvernement de l'Inde en Angleterre, pour le payement des pensions des employés en retraite et pour le payement des intérêts des capitaux dépensés en travaux publics dans l'Inde et fournis par l'Angleterre. L'exportation des marchandises de l'Inde, sert à payer ces sortes de dettes, et les retours qui se faisaient autrefois en argent, s'opèrent, pour ainsi dire en compensations.

De ces trois causes, la première, c'est-à-dire l'adoption de l'étalon d'or par l'Allemagne, aura un effet limité. Lorsque le stock d'argent de l'Allemagne aura été absorbé, les choses pourront peut-être prendre une autre tournure. Il manquera un acheteur d'argent sur le marché des nations, mais enfin il n'y aura plus de ventes forcées et pour ainsi dire à tout prix, du métal retiré de la circulation par le gouvernement allemand. Quant aux deux autres causes, leur effet peut être plus durable. Cependant, on doit reconnaître qu'elles sont par nature essentiellement variables. Des récoltes plus abondantes dans l'Inde, le changement de certain prix, une modification dans le cours des opérations commerciales entre l'Angleterre et l'Inde, auraient une influence immédiate sur la valeur de l'argent.

Il pourrait se faire aussi que le produit des mines d'argent aux Etats-Unis fût moins considérable dans quelques années qu'on ne le croit actuellement.

Il est enfin une dernière hypothèse qui n'est pas invraisemblable et qui rehausserait la valeur relative à l'argent, ce serait la découverte de nouvelles mines d'or et une reprise dans la production de ce métal.

Il y a donc, dans cette grave question et quelle que soit l'importance des faits constatés, beaucoup d'inconnu encore, en ce qui touche le rapport qui s'établira dans l'avenir entre la valeur de l'argent et celle de l'or.

Dans ces circonstances, il nous paraît prématuré de considérer la baisse de l'argent comme un fait définitif, et imprudent de la considérer comme un fait à dédaigner. C'est pourquoi, sans rien changer à notre législation monétaire, au point de vue des espèces existantes, nous croyons qu'il y a lieu de prendre des mesures pour empêcher qu'il ne se produise d'augmentation, dans la masse monétaire d'argent qui se trouve en ce moment en France, sous forme de pièces de 5 francs.

Nous vous demandons la faculté de limiter ou de suspendre la fabrication des pièces de 5 francs, et nous userons de cette faculté selon les circonstances et conformément aux besoins de la circulation.

Nous avons, en conséquence, l'honneur de vous proposer d'adopter le projet de loi suivant:

PROJET DE LOI.

Article unique.—La fabrication des pièces de 5 francs en argent pourra être limitée ou suspendue par décrets.

Appendix, No. 21.

— No. 4. —

(No. 103—Commercial.)

Mr. *F. O. Adams* to the Earl of *Derby*.

My Lord, Paris, 16 April 1876.

I HAVE the honour to enclose herewith to your Lordship, extracted from the "Journal Officiel" of this day, the Exposé des Motifs accompanying a Bill laid on the table of the Senate on the 29th ultimo by M. de Parieu to put an end to the coining of silver of the degree of fineness (9-10th) prescribed by the law under which it is a legal tender.

The introduction of this Bill was reported to your Lordship in Lord Lyons's Despatch, No. 242 (General Series), of the 11th instant.

I have, &c.

Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c., &c.

(signed) *F. O. Adams.*

Enclosure in Mr. Adams', No. 103, Commercial.

SÉNAT.

ANNEXE N° 16.

(Séance du 29 Mars 1876.)

PROPOSITION DE LOI suspendant l'émission des bons pour la fabrication des monnaies d'argent à 9/10 de fin, présentée par M. de Parieu, sénateur.

EXPOSÉ DES MOTIFS.

Messieurs, les faits intervenus depuis quelque temps dans les rapports de valeur entre les métaux précieux, et les discussions de l'opinion publique ont rapidement mûri parmi nous, chez plusieurs esprits, la question monétaire, longtemps si mal comprise, bien que dès 1815 la Grande-Bretagne ait posé en cette matière des principes, qui ont groupé sous leur application des populations d'un nombre toujours croissant depuis lors.

La théorie du double étalon sur laquelle repose notre loi monétaire de l'an XI a été combattue depuis l'origine même de cette loi.

Elle est moins à nos yeux une théorie que le résultat de l'inhabileté primitive des législateurs à combiner autrement que par voie d'une concurrence illimitée deux métaux précieux, faits pour entrer l'un et l'autre dans le système monétaire, mais que les législations recentes ont appris à coordonner, dans une concurrence restreinte, en laissant à l'or seul sa faculté sans bornes de payement, et réduisant l'argent au rôle de monnaie d'appoint.

Dès 1857 le gouvernement français a mis à l'étude la question monétaire, et on peut dire que depuis lors, jusqu'en 1870, le principe de l'étalon d'or a conquis une autorité croissante dans diverses commissions administratives (1) ainsi que dans le conseil supérieur du commerce consulté après une enquête solennelle en 1870. Ce même principe avait été adopté par la conférence monétaire internationale de 1867, où plus de vingt Etats étaient représentés, et dans des conditions de quasi unanimité remarquables.

Tout récemment, et le 10 janvier dernier, la chambre de commerce de Paris a fait entendre sa voix dans le même sens.

Les travaux accomplis en France sur cette question ont agi sur l'opinion des nations étrangères, dont plusieurs ont établi l'étalon d'or depuis 1870, et un savant sénateur suédois pouvait dire, il y a peu d'années, que tout le monde avait profité des travaux de la France en cette matière, sauf la France elle-même.

L'objection principale dirigée contre la législation du double étalon, et qui était tirée des variations nécessaires des rapports de valeur entre les deux métaux précieux employés dans le système monétaire, n'avait pas reçu toutefois, jusqu'en 1873, la confirmation dans notre pays de faits aussi éclatants que ceux qui sont intervenus depuis.

Le

(1) La dernière de ces commissions qui délibéra plusieurs mois et fit son rapport en mars 1869, était composée des quatorze membres suivants, outre le ministre des finances : E. de Parieu, vice-président du conseil d'Etat ; Dumas, sénateur, président de la commission des monnaies ; Rouland, gouverneur de la Banque ; Michel Chevalier, sénateur ; Louvet, Darimon, de Mackau, Busson-Billault, députés ; Wolowski, de l'Institut ; de Lavenay et Ozenne, conseillers d'Etat ; Meurand, directeur des consulats ; de Waru, regent de la Banque ; et Dutilleul, Bordet et de Laizer, secrétaires.

Le rapport de 1 à 15·5 établi par la loi de germinal an XI, entre la valeur de l'argent et celle de l'or, avait été souvent démenti par les faits, mais dans des limites assez restreintes.

Dans le seul renseignement que nous possédions, pour une époque éloignée de l'heure présente, dans un document hollandais publié en 1847, et qui retrace les relations constatées entre la valeur de l'or et de l'argent à Paris et Amsterdam de 1824 à 1847, on voit que la valeur de l'or a dépassé constamment à Paris le rapport légal de 1 à 15·5, mais ne s'est pas élevée au-dessus de la proportion de 1 à 16·042, et encore tout à fait momentanément, en 1832.

De 1847 à 1867, sous l'influence des découvertes d'or de la Californie et de l'Australie, le rapport s'est abaissé, et on découvre dans les tablaux réguliers du prix de l'once d'argent sur le marché de Londres, les prix moyens de 61¾ pence, 61⅝ pence et 61$\frac{15}{16}$ pence pour le prix de l'once d'argent pendant les années 1857, 1860 et 1861, prix qui correspondaient environ à la relation de 1 à 15·427 pour les valeurs comparées de l'or et de l'argent. (Documents relatifs à la question monétaire, publiés par le gouvernement belge, 6e fascicule, n° 42.)

Les écarts du rapport légal de 1 à 15·5 étaient donc restés modérés entre 1824 et 1867; ils avaient suffi toutefois, le dernier même par sa continuité, à modifier considérablement la composition de la circulation française. Après la prédominance de l'argent constatée avant 1847, les taux de 1847 à 1867 avaient introduit l'or dans une large proportion, et des mesures avaient dû être prises pour retenir en France les petites coupures d'argent. Notre monnaie d'appoint d'argent à 835 millièmes de fin avait été créée dans ce but.

Mais à partir de 1867 le mouvement de baisse dans la valeur de l'argent par rapport à l'or a peu à peu compensé avec usure le petit relèvement produit de 1849 à 1867 par les importations de la Californie et de l'Australie.

L'argent est descendu par degrés sur le marché de Londres—

De 61⅛ pence taux moyen de 1866.
à 60$\frac{9}{16}$ pence en 1867.
60½ pence en 1868.
60$\frac{7}{16}$ pence en 1869.
60$\frac{9}{16}$ pence en 1870.
60½ pence en 1871.
60$\frac{3}{16}$ pence en 1872.
59¼ pence en 1873.
58$\frac{5}{16}$ pence en 1874.

Ce dernier taux a marqué approximativement le rapport de 1 à 16, entre la valeur de l'or et celle de l'argent.

En 1875, le prix moyen de 56⅞ pence pour l'argent a manifesté un abaissement sans exemple de la valeur de l'argent par rapport à l'or dans l'histoire moderne, et a opposé à la relation légale de 1 à 15·5 la relation commerciale et vraie de 1 à 16·5.

Ce n'était toutefois encore qu'un prélude. Depuis les premiers mois de 1876, la baisse de l'argent a fait de nouveaux progrès.

Dès le 12 février dernier, l'once d'argent ne pouvait plus atteindre à Londres le prix de 54⅝ pence, c'est-à-dire que le rapport de valeur de 1 à 17 était dépassé (1); mais au mois de mars le mouvement de baisse s'accélère encore.

Les 4 et 18 mars la valeur de l'argent descend à 52⅝ pence; le 25 mars, à 52½. L'écart d'avec le rapport légal dépasse 13 p. 100. N'y a-t-il qu'une oscillation dans une situation semblable faisant suite à huit années de baisse continue?

Ce qui se passe actuellement est sans précédent historique, et appelle des mesures en rapport avec les circonstances, d'autant plus que les faits métallurgiques provenant de l'accroissement dans la production des mines américaines d'argent (2) paraissent s'unir aux causes législatives dans ce mouvement profond et continu.

Si, dès 1874, certaines précautions n'avaient été prises pour arrêter les effets de cette grave perturbation dans le rapport de valeur des deux métaux, la France et ses alliés monétaires auraient vu leur circulation métallique envahie par l'argent avec un drainage d'or correspondant.

Nous eussions été privés d'une partie de notre stock d'or, de ce métal le plus portatif, le plus commode, qu'on a qualifié la mesure commune des valeurs actuelles dans le monde, et qui s'impose dans certaines proportions même aux Etats dont la législation le repousse (3).

Le Gouvernement français a cru, dès la fin de 1873, devoir prendre des mesures dont le principe était bon, mais qui ne répondent plus aux faits actuels.

Les gouvernements de France, de Belgique, d'Italie et de Suisse, alliés monétairement par une convention qui doit durer jusqu'en 1880, ont en partie obvié au danger de l'irruption de l'argent en limitant le monnayage par des conventions monétaires de 1874, 1875, 1876, dont la première seule a été soumise à l'examen de l'Assemblée nationale; les autres ne l'ont point été par des motifs dont il nous a été impossible de nous rendre bien compte malgré l'euphémisme ingénieux qui a fait remplacer le titre de convention per celui de déclaration en tête de ces actes.

La fabrication française a été limitée à soixante millions de francs en 1874, à soixante-quinze

(1) Au prix de 55 pence, le rapport de valeur entre l'or et l'argent est de 1 à 17·145.
(2) V. "l'Economist" anglais du 4 mars et le "Bœrsen-Halle" de Hambourg du 7 mars.
(3) Voyez dans la "Gazette d'Augsbourg" du 19 février 1876, et dans "l'Economist" anglais du 11 mars 1876, p. 315, divers détails sur l'emprunt autrichien, en partie payable en or. Quoique ayant encore l'étalon d'argent, l'Autriche n'a voulu traiter monétairement avec la France, le 30 juillet 1867, que sur la base de l'étalon unique d'or.

Appendix, No. 21.

quinze millions en 1875, et à cinquante-quatre millions en 1876, alors que suivant nous la baisse de l'argent réalisée en 1875 prescrivait pour l'année courante bien plus une suspension absolue de fabrication qu'une simple limitation. En tout cas, si une concession a été faite aux convenances d'autres nations par la fixation des contingents déterminés dans les conventions monétaires, n'est-il pas de l'intérêt de la France de renoncer à l'usage de la faculté à elle laissée?

A vrai dire, la question d'étalon a été entamée par ces conventions, malgré l'insuffisance de la dernière.

Le double étalon a été paralysé dans un de ses membres, et en faisait pour garder l'or ce qu'il n'a pas fait en 1847 pour garder l'argent si ce n'est dans ses petites coupures de 2 francs et au-dessous, le Gouvernement français a choisi entre les deux métaux, dans le sens préféré par la science, par l'opinion publique et par les législations étrangères.

Toutefois ces mesures de limitation dans l'émission de la monnaie d'argent, n'ont un sens et une utilité que par leur rapport avec la situation qui en a été le point de départ.

Si la baisse de l'argent était restée à 3 p. 100 comme au commencement de 1874, des mesures de restriction à peu près identiques, correspondraient à une situation restée identique elle-même.

Mais avec la baisse de l'argent quadruplée depuis le commencement de 1874, ce qui était suffisant alors n'est-il pas devenu insuffisant? Une situation empirée n'appelle-t-elle pas des remèdes proportionnels et dont l'urgence frappe les yeux de tous les hommes compétents?

Nous osons fixer l'attention sur les propositions suivantes pour le démontrer:

1° En fait, la monnaie d'argent dépréciée de 13 p. 100 par rapport à la monnaie d'or équivaut quant à présent à une monnaie rognée ou diminuée de métal fin dans la même proportion. Elle offre les mêmes piéges à la bonne foi des citoyens. Elle est presque aussi contraire aux principes modernes de la loyauté monétaire.

2° L'introduction de cette monnaie au pair avec la monnaie d'or est un préjudice actuel pour la société française et un préjudice éventuel ultérieur pour l'Etat lui-même, dans la proportion de cette moins value. A nos yeux, la convention de février dernier en autorisant la fabrication de 54 millions pour 1876, plus 27 millions d'argent pour 1877 à 14 p. 100 de perte par rapport à la monnaie d'or, entraîne pour notre fortune publique un préjudice probable supérieur à 9 millions, si elle est complétement exécutée, et si la dépréciation de l'argent continue comme la plupart des hommes spéciaux le jugent probable.

3° Le préjudice n'a pour compensation que des bénéfices particuliers dont le ministère des finances paraît avoir voulu tempérer l'essor par des moyens peut-être plus arbitraires qu'efficaces, ou des profits d'Etat réalisés par une fabrication en dehors de nos traditions et de règles habituelles de la comptabilité pour ces matières.

4° Tout ce qui arrête l'expansion en France de l'étalon d'or est nuisible aux rapprochements monétaires qui, grâce aux besoins nouveaux de la civilisation actuelle, ont pris place parmi les grands phénomènes internationaux de notre siècle, et dont la France a eu l'honorable initiative. C'est par l'or que les systèmes monétaires de la Grande-Bretagne, de l'Allemagne, de l'Union scandinave, de la Hollande, et de l'Amérique du Nord [1] tendent à se rapprocher dans une communauté de base métallique, à laquelle l'Union dite Latine doit se rattacher, ne fût-ce que pour se défendre au millieu des luttes à prévoir dans l'avenir.

Dans quelle mesure et sous quelles conditions les rapprochements indiqués peuvent-ils faire des progrès? Ce n'est pas le lieu de l'examiner ici; mais qu'il nous soit permis d'ajouter un seul mot dans cet ordre d'idées et pour éviter toute objection.

Il n'y a rien dans l'organisation de l'union monétaire de 1865, continuée par les conventions de 1874, 1875, et 1876, dont notre liberté d'action nationale puisse être gênée, relativement à la mesure dont nous avons l'honneur de vous proposer l'adoption, c'est-à-dire à la suspension de la fabrication de l'argent, par le moyen des bons de monnaie usités depuis l'an XI.

Les conventions des trois années récentes ont fixé des maximums de fabrication d'argent pour les Etats qui font partie de la confédération monétaire constituée en 1865; mais il n'y a aucune obligation pour aucun des quatre Etats de continuer à engorger sa circulation d'un élément dont il peut redouter l'accroissement. La Suisse a pris à cet égard à partir de 1875, une situation d'abstention digne de remarque.

D'ailleurs, le terme de renouvellement de l'Union monétaire approche. Il échoit en 1880, et, à cette heure, chaque Etat aura à certains égards la responsabilité complète du mérite de sa législation et de la prévoyance dont il aura fait preuve.

Le principe de l'Union de 1865 est un principe de progrès, et ceux qui, comme nous, ont concouru à le faire prévaloir, doivent être les premiers à s'opposer à ce qu'il devienne, chez aucun de ses membres, un ressort de la spéculation et de l'esprit de routine à l'encontre du progrès des quatre Etats associés.

D'ailleurs, nul ne méconnaît le rôle prépondérant de la France dans l'Union de 1865, et cette influence aura bien, provoquée qu'elle est déjà par les initiatives diverses de la Suisse et de la Belgique, sa puissance pour une amélioration que la perturbation du rapport des valeurs entre les métaux précieux réclame.

Quelques

(1) Le *Coinage act American* du 1er avril 1873, établissant le dollar d'or unique, est analysé et rappelé dans les savants rapports publiés en 1872 et en 1874 par le *Deputy master of the mint*, à Londres.

Quelques écrivains ont cherché à jeter dans la question monétaire au sujet de la cessation éventuelle de la fabrication de l'argent, une objection tirée d'une violation possible des contrats existants ; mais cette objection qui aurait pour conséquence l'immobilité absolue des législations monétaires, et qui aurait pu être opposée même à notre loi de 1874 restreignant la fabrication de l'argent, accuse par cela même son incompétence et n'a été accueillie par la législation d'aucun pays.

Il appartient à l'État de déterminer l'instrument de la circulation métallique convenable pour l'utilité nationale ; et lorsque le législateur ayant regardé comme possible certaine équivalence proportionnelle entre deux métaux précieux, est obligé de faire un choix et de reconnaître l'impossibilité de la balance qu'il avait espérée, le bénéfice dérobé que certaines individualités voudraient tirer d'une rupture d'équilibre imprévue est contraire à la volonté du législateur, et ne peut être opposé comme une entrave à ses résolutions ultérieures inspirées par l'intérêt général.

C'est scinder d'ailleurs cet intérêt social, avec ses connexités si naturelles et si fréquentes entre les qualités de créancier et de débiteur, que revendiquer isolément les intérêts prétendus de l'une de ces situations, surtout lorsque l'éventualité de certaines réformes pèse depuis longtemps sur les prévisions des citoyens et sur la formation de leurs contrats réciproques.

Si le projet de loi présenté par l'honorable ministre des finances, le 21 mars dernier, annonce, malgré l'hesitation extrême de ses motifs, l'intention éclairée de ne plus laisser accroître notre masse monétaire d'argent, il nous paraît à souhaiter qu'une mesure à cet effet ait la portée immédiate, le point de départ certain et l'irrévocabilité (sauf une loi contraire peu à prévoir) qui peuvent résulter d'une disposition legislative directe, avec son influence complète sur les États qui nous sont monétairement associés (1).

Dans les circonstances actuelles, la suspension de la fabrication de l'argent est la seule mesure vraiment conservatoire, et votre autorité seule pourra, suivant nous, et devra convenablement l'ordonner, comme l'autorité législative a consacré déjà en 1874 la limitation des fabrications d'argent.

Vous porterez le secours d'un élément nouveau à l'équilibre stérile des conférences monétaires qui, après trois ans, sont restées suspendues, encore en février dernier, dans une immobilité presque absolue devant des perturbations d'une importance croissante.

Sevrées par des instructions ministérielles de la discussion des principes, composées, en ce qui concerne certain Etat, d'éléments donnant la prépondérance à une tendance unique, ces conférences, malgré le mérite et les efforts de leurs membres, n'ont pu même appliquer nettement la logique du motif qui les a provoquées et qui aurait dû faire succéder une limitation plus étroite ou une suspension des émissions d'argent à l'aggravation des circonstances qui avaient nécessité une limitation première. Elles n'ont pu même aboutir ainsi à des résultats " sérieusement conservatoires " et n'ont involontairement facilité d'autre progrès que celui des bénéfices, possibles sur la circulation métallique générale, et visés par des spéculations privées qui ont cherché à exploiter et à anticiper leurs décisions.

Cette situation sans règle, sans principe et sans boussole ne peut être continuée.

Elle fait vivement désirer une direction venue de plus haut et qu'en l'absence d'études administratives (peut-être, il est vrai, depuis longtemps épuisées, mais dédaignées), la législature, aidée par l'administration sur plus d'un point, nous paraît devoir revendiquer, dans sa sagesse, sa fermeté et son indépendance.

Tous ceux qui tiennent à honneur le progrès de la France en présence de la marche législative des autres grandes nations commerciales, applaudiront aux efforts que vous ferez pour améliorer une législation dont trois peuples confédérés monétairement avec vous (et l'un d'eux provoquant votre action) ressentiront l'heureuse influence.

Nous vous proposons, dès à présent, messieurs, de sortir d'un régime qui engage l'accroissement de notre stock d'argent si déprécié, tout en prétendant aux apparences de l'expectative. Il y a lieu de suivre avec fermeté et prudence, surtout quand les faits le commandent, le cours raisonné des innovations monétaires acceptées par les grandes nations commerciales de notre siècle.

C'est avec confiance que nous cherchons à élargir et à préciser l'examen de la question monétaire devant une Assemblée qui ne redoutera jamais rien des progrès préparés par l'étude des législations comparées, par des instructions préalables prolongées, par les réflexions et les travaux de la science.

Si le Sénat ne résolvait pas d'emblée toutes les difficultés de la question monétaire, et notre projet ne tend pas à ce vaste but, il en avancerait la solution par une mesure qui, indépendante de tout esprit de système, et conciliable avec certaine divergence sur les doctrines, préparera probablement l'avenir, en satisfaisant aux nécessité du présent.

PROJET DE LOI.

Article unique.—A partir de la promulgation de la présente loi, et jusqu'à ce qu'il en soit autrement ordonné, il ne sera plus délivré de bons de monnaie pour la fabrication de la monnaie d'argent à 9/10 de fin.

(1) Une loi identique à celle qui est proposée par M. le ministre des finances n'a abouti jusqu'à présent en Belgique, qu'à absorber le droit parlementaire relativement au vote des conventions monétaires dans le droit de l'exécutif.

Appendix, No. 21.

— No. 5. —

(Commercial—No. 105.)

Mr. *F. O. Adams* to the Earl of *Derby*.

My Lord, Paris, 17 April 1876.

1. M. Say. April 14.

In continuation of my Despatch, No. 96, of this series, dated the 11th instant, I have the honour to transmit herewith a copy of a note from Mons. Léon Say, together with the Procès-Verbaux of the Monetary Conferences of 1874, 1875, and 1876, between France, Belgium, Italy, and Switzerland; and a Table giving the Returns of Gold and Silver held by the Bank of France for a series of years, beginning with 1851.

2-4. Procès Verbaux.

5. Table.

I should observe that these Procès-Verbaux have already been forwarded by Lord Lyons, in his Commercial Despatch, No. 93, of the 11th instant, and also that the account of Silver for the years 1870–1876, in this official return, differs from those in the unofficial return forwarded by his Excellency with that Despatch.

With regard to Mons. Berton, about whom inquires are made in your Lordship's Commercial Despatch, No. 79, of the 5th instant, Mons. Say's note states that his Ministry has entrusted that gentleman with no mission, but that the Administration des Monnaies et Médailles, wishing to establish a statistical bureau at the Paris Mint, has requested Mons. Berton to procure any information he can gather in the United States with reference to the monetary question.

I have, &c.

The Right Honourable the Earl of Derby, &c. &c. &c.

(signed) *F. O. Adams.*

Enclosure 1 in Mr. Adams', No. 105, Commercial.

M. l'Ambassadeur, Paris, le 14 Avril 1876.

Pour faire suite à ma Dépêche en date du 12 Avril courant, j'ai l'honneur de vous adresser ci-joint les Procès-Verbaux des Conférences Monétaires de 1874, 1875, et 1876, entre la France, la Belgique, l'Italie, et la Suisse, dont vous désiriez avoir communication, ainsi que le tableau des encaisses de la Banque de France en Or et en Argent depuis l'année 1851.

Quant à M. Berton, le Ministère des Finances ne lui a par donné de mission, mais l'Administration des Monnaies et Médailles, désirant établir un bureau de statistique à la monnaie de Paris, a prié M. Berton de lui procurer les renseignements qu'il pourrait recueillir aux Etats Unis sur la question monétaire.

Agréez, &c.

Son Excellence Lord Lyons, &c. &c. &c.

(signé) *Léon Say.*

Enclosure 5 in Mr. Adams', No. 105, Commercial.

Tableau des Encaisses de la Banque de 1851 à 1875.

Années.	Or.	Argent.	Total.	Proportion de l'Argent.	Années.	Or.	Argent.	Total.	Proportion de l'Argent.
1851	83	478	561	85 p. cent.	1864	273	94	367	26 p. cent.
1852	69	442	511	86 „	1865	238	208	446	44 „
1853	102	214	316	67 „	1866	576	136	712	19 „
1854	301	193	494	39 „	1867	697	318	1,015	31 „
1855	72	147	219	66 „	1868	662	474	1,136	42 „
1856	94	104	198	53 „	1869	461	798	1,259	63 „
1857	110	126	236	52 „	1870	429	69	498	14 „
1858	294	260	554	47 „	1871	554	80	634	13 „
1859	250	329	579	56 „	1872	656	134	790	17 „
1860	144	272	416	65 „	1873	611	148	759	19 „
1861	225	100	325	30 „	1874	1,013	314	1,327	24 „
1862	187	108	295	36 „	1875	1,168	504	1,672	30 „
1863	119	72	191	37 „	1876 (10 Avril)	1,349	540	1,889	28½ „

Nota.—Les chiffres ci-dessus de l'Or et de l'Argent sont pris sur le dernier bilon hebdomadaire de chaque année.

— No. 6. —

Lord *Lyons* to the Earl of *Derby*.

(No. 161—Commercial.)

My Lord, Paris, 16 June 1876.

With reference to my Commercial Despatch, No. 157, of the 10th instant, and to previous correspondence, respecting the information called for by the Select Committee on the Depreciation of Silver, I have the honour to transmit to your Lordship the authentic Report of a further Debate in the French Senate on the question of the Silver Coinage. *Journal Officiel, 14 June 1876.* *Journal Officiel, 15 June 1876.*

I mentioned in my Commercial Despatch, No. 93, of the 11th April last, that on the one hand the Minister of Finance had laid upon the table of the Senate a Bill to enable the Government to limit by decree the coinage of Silver five franc pieces; and that on the other hand M. de Parieu had brought in a Bill to put an end altogether to the coining of Silver of standard fineness.

These two Bills were taken up together in the Senate, and debated on the 13th and 14th instant.

M. de Parieu's Bill and two amendments to the Government Bill, moved, the one by M. Pagez, and the other by M. de Vertavon, were rejected, and the Government Bill was read a first time, and ordered to pass in due course to a second reading.

It runs as follows:—

Art. 1. La fabrication des pièces de cinq francs en Argent pourra être limitée ou suspendue par le Gouvernement.

Art. 2. La présente loi n'aura d'effet que jusqu'au 31 Janvier 1878.

I have, &c.

The Earl of Derby, &c. &c. &c. (signed) *Lyons*.

BELGIUM.

— No. 7. —

Mr. *J. Savile Lumley* to the Earl of *Derby*.

(Commercial, No. 46.)

My Lord, Brussels, 1 June 1876.

In obedience to the instructions conveyed to me in your Lordship's Circular Commercial Despatch of the 28th of March, I have the honour to forward herewith to your Lordship for communication to the Select Committee of the House of Commons such information as I have been able to procure on the causes of the Depreciation of Silver and other subjects connected with the monetary question.

Your Lordship is aware that this subject has for some time past engaged the attention of Mr. Malou, the Belgian Premier and Minister of Finance, who, availing himself of the facilities offered by his position, has employed himself in compiling a Work containing the official documents, Parliamentary and others, as well as Statistical information derived from the most authentic sources bearing on this subject, not only in Belgium, but in all other European Countries.

Through the kindness of Mr. Malou I have been enabled to forward to the Foreign Office the different portions or fascicules of this Work as they appeared, and two complete sets of these documents were likewise forwarded to your Lordship in my Commercial Despatch, No. 22, of the 26th of March last.

As all the information that can be procured with reference to the Monetary Question in Belgium is to be found scattered throughout this Work, it will be convenient for reference that I should at once indicate where the facts relating to Belgium are to be found. These are:

In the 1st series:—The introduction, pp. 3 and 4. The whole of the second fascicule. The sixth fascicule, page 158, and the Annexes XIV., XV., and XXIV. The supplement of the sixth fascicule, pp. 200 and 201. The whole of the seventh fascicule.

In the 2nd series:—The second fascicule (referring to the Conference of 1874). The fourth fascicule, on the execution of the additional Convention, pp. 1 to 10. The seventh fascicule (Conference of 1875), and, lastly, the Procés Verbaux and Resolutions of the Paris Conference of 1876, which will form the chief portion of the 10th fascicule, and will close the second series.

Appendix, No. 21.

I learn that it is the intention of Mr. Malou, even should the result of the approaching elections necessitate his retirement from office, to continue and complete this important Work, which will become a valuable Text-book on the Monetary Question.

I.—Causes of the Depreciation of Silver.

The first question in your Lordship's Despatch refers to the causes of the Depreciation of Silver. Among the numerous Articles that have appeared on this subject there is one published by Mr. Oscar Van Reinach, in the "Reichsanzeiger," of the 14th of March 1876, which appears to explain the matter very clearly, and is of interest as shewing that the alarm caused by the fall in the value of Silver is exaggerated, and perhaps unnecessary. The following is an extract from the Article in question:

"The present unusual and considerable fall in the value of Silver, affects in the first "place and principally those countries which have solely a Silver Standard, such as "India and Austria, and secondly, those countries which have still the double Standard, "namely, France, Belgium, Italy, and Switzerland, or in a word, those countries belonging to the Latin Monetary Union. People are now as much alarmed at the fall in the "value of Silver as they were 20 years ago by the great fall in the value of Gold resulting from the new Mines of that metal discovered in California and in Australia, and "they ask themselves how it would be possible to escape the dangers of the incessant "fluctuations in the value of one or the other metal.

"The value of Silver in relation to the value of Gold is fixed since 1803 on the basis "of 1 to 15½ of equal weight, but in consequence of the present Depreciation of Silver, "(about 13 %) this relative value has risen to the rate of 1 to 17½.

"At the present moment there exists three principal causes for the Depreciation of "Silver:

"1st. The discovery of the great and celebrated Silver Mines in Nevada, which "in reality produce fabulous quantities of Silver, the production for the current year "being valued at five hundred millions of francs.

"2nd. The Demonetisation of Silver in various Countries (Germany, Holland, &c.), "as well as the limitation of the Silver Coinage in the Countries forming the Latin "Monetary Union.

"3rd. The diminution in the quantity of Silver sent to India to pay for her products, seeing that the East, since the conclusion of the American War no longer "enjoys the monopoly of the Cotton Supply, while, on the other hand, it has become "accustomed to accept also manufactured goods in exchange for its own produce.

"Ought this situation to cause alarm, and call for such radical measures as, for instance, "the Demonetisation of Silver?

"Before proceeding to answer this question, let us examine the following Table of the "production of Gold and Silver since 1852:

Years.	Gold.	Silver.
1852	912 1/2 millions de francs	202 1/2 millions de francs.
1853	775 „ „	202 1/2 „ „
1854	635 „ „	202 1/2 „ „
1855	675 „ „	202 1/2 „ „
1856	737 1/2 „ „	202 1/2 „ „
1857	665 „ „	202 1/2 „ „
1858	622 1/2 „ „	202 1/2 „ „
1859	622 1/2 „ „	202 1/2 „ „
1860	595 „ „	202 1/2 „ „
1861	570 „ „	212 1/2 „ „
1862	537 1/2 „ „	225 „ „
1863	535 „ „	245 „ „
1864	565 „ „	257 „ „
1865	600 „ „	260 „ „
1866	605 „ „	252 1/2 „ „
1867	580 „ „	270 „ „
1868	600 „ „	250 „ „
1869	605 „ „	237 1/2 „ „
1870	580 „ „	257 1/2 „ „
1871	582 1/2 „ „	305 „ „
1872	507 1/2 „ „	325 „ „
1873	517 1/2 „ „	350 „ „
1874	452 1/2 „ „	357 1/2 „ „
1875	407 1/2 „ „	310 „ „

"It is evident from this Table that it is not so very long ago that the inverse of the "actual situation existed: that is to say, people were alarmed at any excessive production

"tion

" tion of Gold in comparison with the production of Silver. Silver was then quoted at Appendix, No. 21.
" 5 or 6 per cent. higher than gold, and many persons believed the value of Gold would
" fall to that of Silver. One country, Holland, went so far as to decide on replacing, at
" a great expense, its Gold Standard by the Standard of Silver; and now, after a period of
" twenty-five years, the Netherlands Government is again obliged to give up, at a fresh
" and great sacrifice, its Silver Standard for the Standard of Gold.

" It is therefore advisable not to be unduly alarmed at the actual fall in Silver; the
" great Silver Mines lately discovered will be exhausted (it is indeed proved that the
" famous Mines of Nevada are in reality what are called 'pockets,' and the maximum of
" Silver they can produce has already been calculated), while as to the East it will, no
" doubt, sooner or later, require and absorb vast quantities of Silver. Above all, how-
" ever, it must be remembered that in four great Countries a forced Paper Currency 15,000,000,000 frs.
" exists to the amount of fifteen milliards. It is evident, at any rate, that a Silver = £. 600,000,000.
" Currency is preferable to a Paper Circulation; and if, for instance, Russia, Austria,
" America, and Italy were to take advantage of the low price of Silver, and provide them-
" selves with a cheap monetary stock, the result would be that Silver would again find its
" normal value.

" It must likewise not be forgotten that the fall of Silver powerfully stimulates the
" production of Gold; for whereas the miner only gets 87 francs for producing 100 francs
" of Silver, a 100-francs nugget of gold never fetches less than 100 francs.

" New and extensive deposits of Gold have lately been discovered, and information has
" been received of the discovery of Gold in considerable quantities in Guiana.

" If Gold and Silver had been allowed to circulate on equal terms in all the European
" States the fall in Silver would not have occurred.

" The Countries forming the Latin Union may be justified in desiring to profit by the
" excess of production of either metal, but if such a stream as the circulation of Silver be
" dammed up, it is only natural that the country through which it flows should be
" flooded.

" When the States, which now have a forced Paper Circulation, shall have resumed a
" Metallic Currency, should the Depreciation of Silver still continue, it will then be time
" enough to take measures to remedy it, either by a Gold Coinage or by a Silver Coinage
" of a different proportionate value.

" The fear entertained in several Countries of seeing the fabrication of Silver Money
" in the hands of private industry cannot be looked upon as a serious argument, for Gold
" coins might likewise be struck at a lesser rate of value, but with the actual organisa-
" tion of public force and in the present state of civilisation, all such attempts at private
" coining would soon be put a stop to."

The circumstances above referred to by Mr. Van Reinach certainly seem to warrant the conclusion he deduces from them. The Monetary Crisis under which Europe was suffering at that time was thus described by a competent authority, Mr. Parieu, the President of the Latin Monetary Union, at its first meeting at Paris on the 20th of November 1865.

" In consequence of the discovery of large Gold Mines in California and Australia,
" two movements of an opposite character have created great perturbation in the Mone-
" tary Circulation of Europe. While the enormous influx of Gold has diminished its
" value, and necessitates its employment in the payment of even trifling sums, Silver is at
" a premium, and is exported to an extent hitherto unknown, either to meet the demands
" of the development of Commerce in the East, or owing to profitable speculations being
" facilitated by the difference in the price of the two metals. Under this two-fold
" influence the Silver 5-franc piece has disappeared, and very soon the smaller divisional
" coins will also be attracted abroad.

" This situation has excited the serious attention of several Governments, since it is of
" the utmost importance that the fractional coins which alone suffice for the wants of
" minor transactions should not disappear.

" In order to attain this object during the last few years the intrinsic value of the small
" Silver Coins has been reduced almost everywhere in order to put a stop to their expor-
" tation. Such steps were taken by France, Italy, and Switzerland, but owing to those
" measures having been adopted without previous concert between them they had the
" effect of destroying that community of the Monetary System which formerly existed
" between the Frontier-bordering States to their great and manifest advantages.

" The inconvenience arising from these modifications was quickly felt.

" In Switzerland the Federal Law of 1860 reduced the intrinsic value of the franc,
" its multiples, and sub-divisions, from $\frac{900}{1000}$ to $\frac{800}{1000}$ of pure Silver. In Italy pieces
" of one franc, 50, and 20 centimes were reduced to $\frac{835}{1000}$, and in 1864 France adopted
" to a certain extent the Italian system, and authorised the fabrication of divisional
" Coins of 50 and 20 centimes at $\frac{835}{1000}$ of pure Silver. On the other hand, Belgium
" made no change in her Coinage, which remained at $\frac{900}{1000}$.

" The old valuable unformity of Coinage had disappeared, leaving in its stead dif-
" ferences in the value of Coins of the same denomination, of which speculation was not
" slow in profiting.

" In France the fractional Coins were all superior in value to those of Switzerland.
" French pieces of one or two francs were equal in value to those of Belgium, while the 50
" and 20 centime pieces of France were inferior to the Belgium Coins of the same denomi-
" nation. Again, while the French one franc piece was superior to that of Italy, the

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"Coins of 50 and 20 Centimes were of equal value in both Countries. It was therefore "found a good speculation, either to melt down the French Coins into bars, or to export "them, especially to Switzerland, whose Coins of the same denomination were strictly "prohibited from being taken at any Public Office in France. One of the principal "objects of the Latin Convention (of which Mr. Parieu was President) was therefore to "re-establish between the Frontier bordering States a community of the Divisional "Coinage which had been found to be advantageous to all, as well as to afford each other "protection against the attempts of speculators."

In 1860, when public opinion demanded the admission of French Gold Coins as a legal tender in Belgium, Mr. Frère Orban, then Minister of Finance, was so impressed with the idea that the value of Gold was on the point of being seriously depreciated, that rather than sign the Law providing for that admission he resigned office; the movement of public opinion which produced that reform does not appear however to exist now in Belgium in the inverse sense; and if anything, the partizans of the double standard in this Country, notwithstanding the fall in Silver, have the advantage; it is, indeed, a curious fact, that since the relative Depreciation of the value of Silver, far from there being any complaint of a plethora of that metal in Belgium, there has been more than once reason to fear that the amount in the country was not sufficient for the demands of the circulation. The amount of Silver coined by Belgium amounts to about half a milliard of francs; but in the month of March last the stock of Silver in the National Bank was only 30,415,000 francs, in five-franc pieces, on a total cash balance of more than 130,000,000 francs.

500,000,000 francs = £. 20,000,000.

In France a similar condition existed at the same period, for according to a declaration made in the Senate on the 22nd of March, the Cash Balance of the Bank of France at that date consisted of 495,000,000 of Silver, and of 1,325,000,000 of Gold. This circumstance is mentioned in a Parliamentary document herewith enclosed, presented to the Chamber of Deputies by Mr. Malou on the 25th of April last as the "Exposé des Motifs," of a Bill for proroguing the Law of the 18th of December 1873 granting the Belgian Government the power of suspending or limiting the fabrication of five-franc pieces, in which it is stated further, that notwithstanding the enormous amount of Silver money produced before the adoption of the limitation of the Coinage of Silver by the Latin Monetary Union, it is not superabundant, and that it is neither demonetised nor suspected in the general opinion, notwithstanding the relative depreciation of the metal constituting it; whereas, if there were any excess beyond the wants of the Circulation, or any doubt or moral discredit existed with regard to it, either of those causes would suffice to cause the Silver Coinage to flow into the coffers of the Banks. In Belgium, where the smallest interest that is injured, or even thinks it is menaced, raises a violent outcry, not a single petition or complaint has been made against the monetary system. None of the sinister predictions of 1873 have been realised as yet, neither in the increased price of everything, nor in the perturbation of the rate of exchange, nor in the rise of the rate of discount; if anything, there has been some complaint as to the fall of certain prices; the exchanges have suffered from fluctuations caused by circumstances foreign to the relative value of the precious metals; but in general the balance of prices has been generally favourable to Belgium, which cannot be said to have been altogether the case in other countries which have long ago or recently adopted the single Standard of Gold.

Enclosure 1.

In this document reference is made to a circumstance which gave rise to a debate in the Chamber of Deputies when Mr. Frère Orban attacked Mr. Malou in violent terms, for having, when the price of Silver was at its lowest, purchased in London bar Silver of the value of 10 millions of francs (the amount of the contingent allowed by the Monetary Conference of last February to be coined by Belgium), and which Mr. Malou caused to be converted into five-franc pieces, realising thereby a benefit for the Treasury of more than a million of francs; by this operation Mr. Frère Orban contended that the Minister had put into circulation that amount of coin, which was not worth what it represented, to the detriment of the public.

Mr. Malou takes this opportunity of replying to that charge; it was, he says, the natural consequence of the Law permitting the restriction or interdiction of coining Silver, that the Bureau of Exchanges at the Mint should be closed to private individuals, and that any coinage which took place should be struck on account of the State, or, at all events, in view of the public interest. The Law permits the restriction or suppression of the right enjoyed by all persons of causing the Silver they may possess to be coined, and since the Exchange Office cannot be opened to all, it was found necessary to close it to all private individuals.

The faculty of coining several millions of money cannot be left to the best-informed, the cleverest, or the most active speculator, and there is not a single argument brought forward for the limitation of coinage which does not militate in favour of reserving to the State the fabrication of the amount which it is permitted, or may appear useful to produce.

In France, a similar Law was presented to the Senate on the 22nd of March last by the Minister of Finance, when Mr. Léon Say took the opportunity of praising Mr. Malou's financial operation, which had been so severely animadverted upon by Mr. Frère Orban.

The principal objection raised to the Coinage of Silver at present is, that it may be demonetised.

This objection, Mr. Malou says, is not new. It was raised in 1850 with regard to Gold,

Gold, the inevitable depreciation and demonetisation of which was predicted with as much dread and assurance as is the case with Silver at present. Appendix, No. 21.

It is strictly speaking possible, Mr. Malou adds, that some day or other Silver may be demonetised in the Countries of the Latin Union, but such an event is most uncertain, and should it occur, no one can foresee under what conditions, nor to what amount that operation will take place, nor ought this uncertain, and in every case distant eventuality, to be allowed to have the effect of interfering with the supply of actual wants, while at the same time, care should be taken to put a stop to speculations of a purely private interest.

II.—Export and Import of Silver.

No reliable information can be obtained with reference to the amount of the precious metals exported from or imported into Belgium. The Statistical Tables published annually contain, it is true, returns of that trade drawn up from the declarations made at the Custom House, but it is notorious that, in many instances, the trade in Gold and Silver is carried on without being declared at the Custom House, while in others, the declarations made are evidently incorrect and incomplete; in fact, this is known to be so much the case, that for some time past the returns of the Trade in precious metals have been omitted from the Account of the General Movement of Belgian Commerce, published annually.

A "résumé" of the special trade in ingots, bars, and specie, is given in Tables Nos. XIV. and XV., of the sixth fascicule of the documents on the monetary questions published by Mr. Malou, from which it appears that for a period of eight years, from 1850 to 1856, and in 1865, no distinction was made between the returns of Gold and Silver, but from 1857 to 1864, and from 1866 to 1873, the declared quantities of each metal are given separately.

According to these tables, the Excess of the Exportation over the Importation of the precious metals amounted to—

			Frs.
For 1850 to 1856, Gold and Silver			72,747,805
		Frs.	
„ 1857 „ 1864	Gold	840,563,105	
	Silver	227,348,593	
			1,067,911,698
		Frs.	1,140,659,503

Excess of Importation into Belgium :—

			Frs.
1865, Gold and Silver			42,127,179
		Frs.	
1866—1872	Gold	465,984,139	
	Silver	215,988,320	
			681,972,459
		Frs.	724,099,638

	Frs.
Shewing a Balance therefore of Excess of Exportation amounting to	1,140,659,503
	724,099,638
Leaving a Balance in favour of Exportation of *Frs.*	416,559,865

Again, during the period 1857--1861, when the monetary circulation was overflowing with Gold, according to the tables, Belgium exported to France 36 millions of Gold, and only received from that country 24 millions, while her importation from England was 81 millions, and her export to that country 543 millions.

The movement in Silver is stated to have been for the same period as follows :

		Millions.
France :	Importation into Belgium	213
	Exportation from „	39
	Balance *Millions*	174
		Millions.
England :	Importation into Belgium	7
	Exportation from „	81
	Balance *Millions*	74

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In order to complete the trade returns, these figures are included, but there is not only no certainty, but not even any probability of their being sufficiently correct to permit of any arguments being based upon, or deductions being drawn from, them.

Table XXIV. gives the returns of the trade in precious metals between Belgium and England. It would appear from the English statistical tables that, during the period from 1858 to 1872, Belgium imported more than she exported to England—

	Frs.
In amount equal to - - - - - - -	133,594,100
Of which in Gold - - - - - - - -	98,826,800
„ „ Silver - - - - - - -	34,767,300

The exportation of Gold to England for five years, in 1861, 1867 to 1869, and for 1872, exceeded the importation from England; for the other ten years the result was the reverse.

The exportation of Silver from Belgium to England, from 1858 to 1864, exceeded the importation by 133,098,100 francs, while from 1865 to 1872, Belgium received from England 167,365,400 francs more than she exported to that country.

III.—Coinage Operations.

The second fascicule of Mr. Malou's work contains, at pages 50 and 51, tables of the Belgian Coinage of Gold and Silver for forty years, from 1832 to 1872 inclusive. There are no later returns published, but it is stated in the Parliamentary document of the 25th of April 1876, already referred to, that in 1874 and 1875 the Brussels Mint, though incomplete, struck 143,255,000 francs in Gold pieces of 20 francs, and that already, up to the 8th of April of the present year, the fabrication of Gold coins had reached nearly thirty millions and a half. In producing this amount were transformed—

	Frs.
German Marks to the value of - - - -	37,152,000,
Russian Imperials - - - - - - -	46,758,000,
Dollars - - - - - - - - -	12,691,000,
Japanese Gold - - - - - - - -	13,127,000,
Ingots - - - - - - - - -	51,765,000,

besides other coins.

During the three years 1874, 1875, and 1876 the coinage of Silver did not amount to 37,800,000 francs, including a balance remaining from the year 1873 of 5,840,000 francs.

The details of the operations of the purchase and coinage of Silver on the Government account of the contingent fixed for Belgium by the Latin Monetary Union for the years 1874, 1875, and 1876, will be found annexed to the Parliamentary document already referred to, namely, the "Exposé des Motifs," which accompanied the Bill proroguing the law of 18th December 1873, granting the Belgian Government authority to limit or suspend the coinage of 5-franc silver pieces.

IV.—Stocks of Silver.

The difficulty of obtaining information respecting the stock of cash in any Bank is very great, and the National Bank of Belgium is no exception to the rule. A weekly report for eight months of the year 1873 of the stock of Silver in the Belgian National Bank will, however, be found in the second fascicule of Mr. Malou's work, Table VI.

The accompanying volume, containing official documents relating to the prorogation of the National Bank of Belgium, contains, at pages 544 and 545, a table shewing the stock of precious metals in the National Bank on the 31st of December for twenty-one years, from 1851 to 1871 inclusive, shewing an average annual stock in that period of sixty-one millions of francs, but in neither of these tables is any distinction made between the precious metals.

An indication of the relative stocks of Gold and Silver in the National Bank for this year has already been given, from which it appears that in the month of March last the Stock of Silver in the National Bank only amounted to 30,415,000 francs in 5-franc pieces, out of a total amount of cash or Bullion of more than 130,000,000 francs.

V.—Operation of the Latin Monetary Convention as Regards Belgium.

It may be of advantage, before proceeding to examine this question, to refer to the state of things existing before the conclusion of the Latin Monetary Convention in 1865. At that time the relative value of Gold and Silver was as 15½ to 1; the monetary system of most countries was undergoing reform. Holland had set the example by establishing the principle of the unity of the standard, assigning that part to Silver; with this view she withdrew her old coinage, suppressed the Gold pieces, and struck a new Silver money, the unit of which retained the name and value of the old florin, but which, instead of 9 $\frac{613}{1000}$ grammes of pure Silver, contained only 9 $\frac{0}{1000}$, or a reduction of 17 per 1,000.

The different States of Germany had concluded a Convention establishing a uniform system,

system, likewise based on the single standard of Silver, the monetary unit of which was a Silver Thaler equal to the thirtieth part of a pound of 500 grammes, and in value to 1½ Austrian florins.

Spain made considerable sacrifices to reestablish her monetary circulation on proper conditions. She withdrew her old money, but having retained the relative value of Gold to Silver at 15½ to 1, all the Silver coins disappeared as soon as emitted; the monopoly of coinage was reserved to the Government.

Portugal adopted a Gold standard, retaining Silver for her divisional coinage, the emission of which was reserved to the State.

Russia reduced the proportion of Silver from $\frac{9}{10}$ to $\frac{7}{10}$ for coins of a less intrinsic value than 20 copecks (80 centimes), which reduced them to the level of copper coins.

In Switzerland it was decided that the monetary unit should be realised only in its quintuple value, under the form of a Crown of 5-francs at $\frac{9}{10}$ with a divisional money of two and one francs, at $\frac{8}{10}$ of pure Silver, giving at the same time a legal currency to French Gold coins at their nominal value.

Italy adopted a system analogous to that of Switzerland, except that her divisional coins were struck at $\frac{835}{1000}$ of fine Silver, the emission of the same being reserved to the State.

In France the divisional money below the franc was struck at $\frac{835}{1000}$, partially resembling, therefore, that adopted by Italy.

With all these countries introducing reforms in their coinage, it was impossible that Belgium alone should escape the consequences of this movement, resulting from a change in the relative value of the two precious metals forming the basis of every monetary system, a value which had hitherto been considered as invariably fixed at 1 to 15½.

For 10 years Belgium had endeavoured to maintain in its spirit and letter the integrity of the Monetary Law of 5th June 1832, according to the 1st Article of which its monetary unit was fixed at the franc of five grammes of Silver, of the fineness of $\frac{9}{10}$. Public opinion in Belgium demanded the admission of French Gold at its nominal value, which was decreed by the law of the 4th June 1861; the declaration of Article 1 of the law of 1832, became from that moment a dead letter, the Gold standard took the place of the standard of Silver, and Belgium had to suffer the inconvenience felt in France, Italy, and Switzerland, from the disappearance of small Silver coins, and a penury of small change succeeded the abundance which had formerly existed. This was not felt so severely at first in Belgium, as the National Bank had in its cellars about 48 millions of francs in 5-franc pieces, which for a time enabled it to meet all demands at par, but this reserve soon considerably diminished, as will be seen from the following Table:—

Stock of Silver in the National Bank.

1861.—On 1 June	48,645,000 francs.
„ 17 August	37,156,000 „
„ 21 December	26,464,000 „
1862.—On 1 March	24,827,000 „
„ 1 July	26,585,000 „
„ 8 November	14,629,000 „

At this last date the National Bank ceased paying in 5-franc pieces, and the reserve of Silver coins of less value began to be seriously diminished.

The American War at the beginning of 1861 produced such a perturbation in business as to paralyse for a time the commerce of precious metals, but the improvement of affairs which took place in 1863, coinciding with a notable reduction in the Bank reserve of 5-franc pieces, the stock of divisional coins fell rapidly so low as to become absolutely insufficient for the requirements of business. This state of things improved in September 1865, but only as regarded the stock of pieces of 2 francs, and 2 francs 50 centimes, the smaller coins of 1 franc and of 50 centimes being still wanting to such an extent that the Bank could not meet the demands of manufacturers and others for the payment of their workmen, and recourse was then had to the coinage of Nickel for small divisional money.

It became absolutely necessary to find a remedy for this state of things, but such a reform was rendered the more difficult in Belgium, as it was from the monetary community existing with France affected by every modification introduced into the monetary legislation of that country. The apprehensions of the Belgian Government on this subject were strengthened by what had occurred in Switzerland, where, on the one hand, the new money coined by the Federal Government was obstinately refused acceptance in France and Italy; and on the other hand, there was no authority to compel Swiss citizens to accept French or Italian Silver coins, although their intrinsic value was greater than the Swiss coins of the same denomination. With the view of remedying these inconveniences, the Belgian Government proposed to the French Government the establishment of a Monetary Union for all the countries that had adopted the franc as the basis of their currency. France accepted this proposition, and offered to use its endeavours to induce Italy and Switzerland to it, which, however, was rendered difficult by those countries having recently changed their coinage. The French Government then took the initiative in proposing that Commissioners from the four Powers should meet at Paris, without any fixed programme, to consider the best mode of fabricating and circulating

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money in France, Belgium, Italy, and Switzerland. At this Conference, Belgium proposed the adoption of the Gold Standard; Silver pieces, including those of 5 francs, to be considered as divisional money. Italy and Switzerland were of the same opinion, but France declared that she could not agree to it without first submitting the question to the examination of an exclusively French committee; and as this question offered an insurmountable obstacle to an immediate understanding, it was agreed to reserve it for further consideration, and to proceed with the other important points on which it was considered necessary to come to an agreement between the four countries.

The result of the Conference then held was the Convention of the 23rd December 1865.

This Convention determines, among other points, the conditions of the emission of divisional coins, which are struck at a rate inferior to that of the Monetary Standard, giving rise to several important conditions established by the Convention, the emission of the same being limited, and its acceptance not being obligatory beyond a certain fixed sum; the loss from wear being borne by the Government by whom it is emitted. It assures the legal circulation of the money of the one State in all the States of the Union; this being only imposed, however, on private individuals, with regard to the national coinage; though it is admitted for the coins of all the States belonging to the Union. The amount to be emitted by each country is calculated at six francs per head of the population according to its presumed increase up to 1879, and is fixed for—

Belgium	32,000,000 francs.
France	239,000,000 „
Italy	141,000,000 „
Switzerland	17,000,000 „

As has been already stated, in consequence of the fall in the value of Silver, a law was passed in 1873, enabling the Belgian Government to suspend or limit the coinage of 5-franc pieces. This principle was subsequently adopted by the States of the Latin Union; and at the meetings of their respective delegates, which have taken place annually at Paris since 1874, the limitation of the Silver coinage was fixed as follows:

Countries.	1874.	1875.	1876.	Total.
	Francs.	*Francs.*	*Francs.*	*Francs.*
For Belgium	12,000,000	15,000,000	10,800,000	37,800,000
For France	60,000,000	75,000,000	54,000,000	189,000,000
For Italy — Ordinary 40,000,000 / Extraordinary 20,000,000		50,000,000	36,000,000	146,000,000
For Switzerland	8,000,000	10,000,000	7,200,000	25,200,000

Greece, having acceded to the Convention in 1868, obtained at the last Conference held at Paris in February last an ordinary contingent of 3,600,000 francs, and an extraordinary contingent of 8,400,000 francs; these sums, in accordance with the Act of Accession, will be coined in France on account of the Greek Government.

With one exception, each State has either coined or caused to be coined the contingent awarded to it; that exception is Switzerland, where a tendency exists for adopting a single Gold standard. In 1874, Switzerland, caused 7,000,000 of francs, forming the complement of its contingent for that year, to be coined at Brussels, but it did not make use of its right to coin its contingent in 1875, nor does it appear to have the intention of exercising it this year. The views of the Federal Government with regard to its desire for a further limitation of the general contingent of Silver allowed to be coined by the States of the Latin Union, were explained by the Swiss Delegates at the Paris Conference of February last; copy of the "Procés Verbaux" of which is herewith enclosed.

Enclosure 3.

At the first meeting of the Conference on the 20th of January, Mr. Kern read the instructions of his Government requesting the Swiss Delegates not only to support a continuation of the limitation of Silver coinage, but to endeavour to obtain an extension of that system, as well as to impress upon the Conference the necessity for adopting the single standard of Gold. Mr. Feer-Herzog, the second Swiss Delegate, stated that never, since the discovery of America, has the value of Silver fallen so low as at present, its commercial relation to Gold being at about 1 to 17 in France, England, and the United States, while at the same time America continued to throw on the market a mass of Silver amounting to not less than thirty-five millions of dollars a year. In Holland the coinage of Silver is completely suspended. The danger of this position, in the opinion of the Swiss Delegate, can only be averted by the cessation of the coinage of 5-franc pieces; for this reason Switzerland has voluntarily given up its right to coin ten millions of

Silver

Silver at a loss to the Federal Treasury of 900,000 francs; and the unanimous opinion of the Federal Council is that all the States of the Union should change their monetary system by substituting the Gold for the Silver standard, and if they cannot do this, that they should, at all events, agree to limit the coinage of Silver to one-half the contingent allowed to each State in 1874, and which had been extended in 1875. Appendix, No. 21.

The French Delegate, Mr. Soubeyran, disputed the correctness of the views of the Swiss Delegates. He considers the depreciation of Silver to have been caused in great part precisely by the restrictive measures taken by the Union, and that the superabundance of Silver which is dreaded is a chimerical evil; in Belgium, for instance, last year, in order to avoid a serious crisis which menaced the National Bank, the Government was obliged to coin several millions of 5-franc pieces. Mr. Soubeyran considers that the crisis which affects all the European States, including England with her single Gold standard, to be purely a commercial and industrial crisis re-acting naturally on the market of the precious metals, and which is not to be remedied by any radical changes in the monetary system of the States of the Union.

Germany, for instance, which has recently adopted the Gold standard, has suffered more from the crisis than any other State, and England has also felt it severely; while the two countries which have been the least affected by it are precisely those which have the two metals as the basis of their metallic circulation. Mr. Soubeyran said that he was not authorised to enter into a discussion respecting the adoption of a Gold standard, and as to the proposal of the Swiss Government to reduce the contingent fixed in 1874 by one-half, based, as it was, on contested facts, he did not think it was likely to meet with the adhesion of the States who desired a prorogation of the limitation fixed in 1874. Mr. Jacobs, one of the Belgian delegates, observed that his Government could not agree to the proposed diminution, which would reduce the Belgian contingent of Silver to be coined for 1876 to six millions, a sum quite inadequate to meet eventualities, since it might, for instance, be necessary this year that the Government should come to the assistance of the National Bank, as they had done last year, by coining several millions of 5-franc pieces.

Mr. Dutilleul, a French Delegate and Director of the funds placed at the disposal of the Minister of Finance, said that during his experience of the management of those vast sums the quantity of Silver in the market had never caused the least embarrassment, and he did not believe the French Government would consent to reduce the contingent of Silver coinage by more than one-sixth.

To this Mr. Baralis replied that the Italian Government, from a spirit of conciliation, was prepared to agree to a further limitation of the Silver coinage, but that one-sixth seemed too small to produce the desired effect.

In the second meeting of the Conference, Mr. Delyanni, the Greek Delegate, stated that the contingent of five millions of francs which Greece was allowed to coin in 1875 had been insufficient for the requirements of the Grecian Monetary Reform; he was, therefore, instructed by his Government to ask for a special authorisation for Greece to coin twenty-five millions in 5-franc pieces. This demand was opposed by the Belgian, Italian, and Swiss Delegates, and Mr. Feer-Herzog observed that as the Silver coined for Greece would have the right of circulation through the States of the Union, it would increase the evil of a superabundant supply of Silver, which it was the object of the Swiss Government to restrain, if possible, by the suspension of the coinage of every description of Silver, and even by the adoption of the single standard of Gold. Finally, a suggestion of the President, Mr. Dumas, to award to Greece a contingent of twelve millions of francs was agreed to, except by the Swiss delegates. At the third meeting Mr. Delyanni announced that his Government had accepted this arrangement, to which, at the fourth meeting of the Conference, the assent of the Swiss Government was given.

At this meeting Mr. Jacobs proposed that the general contingent of Silver to be coined by the States of the Union, including the twelve millions awarded to Greece, should be fixed at one hundred and twenty millions; and at the fifth meeting of the Conference the acceptance of the Swiss Government was notified of this arrangement, which had been agreed to by the Delegates of the other States at the previous meeting.

This sum of one hundred and twenty millions of francs is divided as follows:—

For Belgium - - - - - - -	10,800,000	francs.
„ France - - - - - - -	54,000,000	„
„ Italy - - - - - - -	36,000,000	„
„ Switzerland - - - - - - -	7,200,000	„
The proportional contingent awarded to Greece is	3,600,000	„
To which is added an extraordinary contingent of	8,400,000	„

for the purpose of replacing the various coins now in circulation in Greece by 5-franc pieces struck in accordance with the conditions of the Convention of 1865.

The Declaration signed at this Conference on the 3rd of February last contains also an Article by which the contracting Governments engage to communicate to each other all facts that may come to their knowledge with reference to false coinage of, or tampering with, the money of the Union, as well as the measures to be taken in common for its prevention, and for the punishment of the offenders. The next meeting of the Conference will be held in January 1877.

I have the honour to enclose the First Series of the monetary documents published by Mr. Malou, containing the fascicules relating to Belgium; the Second Series I have not been Enclosure 4.

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Enclosure 5.
Enclosure 6.
Enclosure 7.

been able to procure, but copies of those documents have been already forwarded to the Foreign Office.

I forward, also, the "Procès Verbaux," and other documents relating to the first and to the last meeting of the Latin Monetary Union, as well as copies of two works referred to in the introduction of Mr. Malou's compilation, viz., a translation from the Dutch of the Report of a Royal Commission on the Monetary Question in Holland, and a collection of documents relating to the National Bank of Belgium.

I have, &c.
(signed) *J. Savile Lumley.*

Enclosure 1 in Mr. Lumley's, Commercial, No. 46.

CHAMBRE DES REPRÉSENTANTS.

Séance du 25 Avril 1876.

Prorogation de la loi du 18 Décembre 1873 relative au monnayage de l'argent.

EXPOSÉ DES MOTIFS.

Messieurs,

La loi du 18 Décembre 1873, qui autorisait le Gouvernement à suspendre ou à limiter la fabrication de pièces de cinq francs d'argent, a été présentée d'après l'avis conforme et unanime de la commission spéciale que j'avais consultée, à cette époque, sur diverses questions monétaires.* La Chambre des Représentants l'a adoptée à l'unanimité, moins une voix, après un long débat sur notre régime en fait de monnaies, débat dans lequel n'a surgi, néanmoins, aucune proposition tendante à un changement de système.† Au Sénat, le vote a été unanime et précédé d'une courte discussion.‡

Cette loi temporaire, et dont le terme expirait le 1er Juillet 1875, a été renouvelée par la loi du 27 Avril 1875, votée sans discussion, et qui cessera d'avoir effet le 31 Décembre prochain.§

Depuis 1874, les délégués des Etats formant l'Union dite *latine* se sont réunis, chaque année, en conférence à Paris. Les procès-verbaux des séances, les notes et renseignements apportés par les délégués, les résolutions prises et l'exécution donnée à ces résolutions par les lois ou par les actes du Gouvernement, ont été communiqués à la Chambre et insérés dans la collection des *documents monétaires*, imprimés par son ordre.

La limitation du monnayage de l'argent, adoptée d'abord en Belgique et en France, a été contractuellement établie dans tous les pays de l'Union. Les contingents de chacun ont été successivement fixés ainsi qu'il suit:

PAYS.	1874.	1875.	1876.	TOTAUX.
Belgique	12,000,000	15,000,000	10,800,000	37,800,000
France	60,000,000	75,000,000	54,000,000	189,000,000
Italie — Ordinaire	40,000,000	50,000,000	36,000,000	146,000,000
Italie — Extraordinaire	20,000,000			
Suisse	8,000,000	10,000,000	7,200,000	25,200,000
Grèce — Ordinaire	- -	- -	3,600,000	12,000,000
Grèce — Extraordinaire	- -	- -	8,400,000	
TOTAUX — *Francs*	140,000,000	150,000,000	120,000,000	410,000,000

Au sein des trois conférences, malgré certaines divergences d'opinions quant aux principes ou certaines réserves pour l'avenir, les discussions ont abouti, chaque année, à reconnaître, de commun accord, l'utilité, sinon la nécessité, de conserver l'attitude expectante adoptée dès 1873.

Sauf

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* Voir *Documents Monétaires*, 1re série, 9e fascicule;—2e série, 4e fascicule.
† Chambre des Représentants. *Annales parlem.*, pages 23 à 63.
‡ Sénat. *Annales parlem.*, pages 34 et suivantes.
§ *Documents parlementaires.* Chambre des Représentants. Session 1874–1875, Nos. 81 et 122.—Sénat, même session, No. 64.—*Annales parlem.*, Chambre des Représentants, page 707;—Sénat, p. 99.

Sauf une exception, chaque pays a fabriqué ou laissé fabriquer son contingent contractuel. Appendix, No. 21.

L'exception concerne la Suisse, dont les tendances sont vers un changement de système par l'adoption de l'étalon unique d'or. En 1874, le Gouvernement Fédéral avait fait monnayer, à Bruxelles, pour compte de la Confédération, environ sept millions formant le complément de son contingent. Il n'a pas fait usage de son droit en 1875, et semble avoir aussi l'intention de n'en pas user pour l'année courante.

L'Italie a fait monnayer, chaque année, tout son contingent.

J'ai lieu de croire que, depuis l'établissement contractuel de la limitation, les particuliers n'ont plus été admis à déposer des matières d'argent, et que le monnayage a été réservé soit à l'Etat, soit à la Banque nationale d'Italie.

Un contingent extraordinaire de vingt millions de francs lui avait été attribué pour 1874, à condition qu'il restât déposé, sous la garantie du Gouvernement italien, dans les caisses de la Banque nationale d'Italie. Cette immobilisation a cessé, de commun accord, en 1875. Alors aussi, c'est par suite de la demande de l'Italie tendante à pouvoir transformer en pièces de cinq francs dix millions d'anciennes monnaies d'argent non décimales, que les contingents ont été augmentés d'un quart, afin de maintenir l'égalité proportionnelle entre les divers pays de l'Union.

En France, les contingents fixés successivement par la conférence ont été monnayés, savoir :

	1874.	1875.
	Francs.	*Francs.*
Pour compte de particuliers - - - -	60,000,000	28,750,000
„ du Trésor public - - - -	„	46,249,334

Des bons de monnaie ont de plus été délivrés pour une période qui s'étend, paraît-il, au delà de l'année courante, mais sans dépasser, par jour, la quotité, convenue entre les puissances associées.

La Grèce a obtenu, pour 1876, un contingent ordinaire de 3,600,000 francs et un contingent extraordinaire de 8,400,000 francs.

Ces monnaies, aux termes de l'acte d'accession du 26 septembre (8 octobre) 1868, ont dû être ou seront fabriquées en France, et ce, pour le compte du Gouvernement grec.

En Belgique, il n'est pas inutile de le rappeler, la limitation avait été établie, par décision ministérielle, dès le mois de septembre 1873, avant d'être consacrée par la loi du 18 décembre suivant, et plus tard, par la conférence de Paris. J'avais prescrit, le 4 septembre, de ne plus délivrer de bons de monnaie qu'à raison de 150,000 francs par jour. Il fallait, comme de droit, respecter les engagements déjà pris qui s'élevaient à 23,533,505 francs, et qui furent entièrement soldés le 12 novembre 1873.

Aussitôt après le vote de la loi de limitation, le bureau du change fut fermé par l'arrêté royal du 18 décembre 1873. La fabrication faite depuis le 13 novembre jusqu'à la fin de l'année, permit de régler les bons de monnaie délivrés sous le régime de la limitation à 150,000 francs par jour, sauf un solde de fr. 5,840,467 30 cents, qui fut reporté à 1874 et compris dans le contingent de douze millions attribué à la Belgique par la convention additionnelle conclue à Paris le 31 janvier 1874.

La conséquence naturelle et même nécessaire de la loi qui permettait de limiter ou d'interdire le monnayage de l'argent m'a paru, dès le premier jour, devoir être de maintenir le fermeture du bureau du change pour les particuliers et de ne monnayer, s'il y avait lieu, que pour le compte de l'Etat, ou du moins en vue d'un intérêt public. Sans impliquer, sans même préjuger un changement éventuel de notre système monétaire, la loi déroge à l'une des bases de ce système; elle permet de restreindre ou de supprimer le droit de tout détenteur de matières d'argent de les faire convertir en monnaies légale, et, quisque le bureau du change ne peut demeurer ouvert à tous, il faut le fermer pour tous les particuliers. La faculté de faire monnayer quelques millions ne peut être laissée au spéculateur le mieux informé, le plus adroit, ou le plus diligent. Il n'est pas une des raisons données pour établir la limitation qui ne milite pour réserver à l'Etat seul la fabrication de la quantité qu'il est permis et qu'il paraît utile de produire.

L'application même partielle d'une autre pratique semble être sur le point de cesser en France. Le Ministre des Finances a présenté au Sénat, le 22 mars dernier, une loi analogue à celle qui nous régit. A la même séance, le promoteur le plus ardent de l'adoption de l'étalon d'or a loué et cité, comme un example à suivre en France, la manière d'agir du Gouvernement belge, à propos de l'opération qui avait été très-vivement attaquée par le principal promoteur de l'adoption de l'étalon d'or en Belgique. L'honorable M. de Parieu a même pris l'initiative de proposer l'interdiction de délivrer désormais des bons de monnaie, pour le monnayage de l'argent.*

Le

* Voir Sénat français, séances du 22 et du 29 mars. *Annales parlementaires.* Chambre des Représentants, séance du 15 mars 1876, pp. 617 et suivantes.

Appendix, No. 21.

Le Gouvernement a-t-il bien fait d'user du droit de fabriquer le contingent annue assigné à la Belgique, ou devait-il s'abstenir ?

Il lui a paru qu'il y avait lieu d'agir comme le faisaient, sauf une seule exception en 1875 quant à la Suisse, tous les autres pays formant l'Union dite latine. La faculté n'est point stipulée uniquement pour figurer à l'état de lettre morte dans quelques actes internationaux, mais pour en user si les autres pays en usent, et pour maintenir ainsi l'égalité proportionnelle. La limitation a pour objet, non point de décrier une monnaie légale, mais de conserver dans sa vérité le régime légal en mettant un obstacle aux substitutions violentes faites dans un but de spéculation d'intérêt privé, spéculations licites sans doute, mais qui n'offrent aucun caractère d'utilité au point de vue des intérêts publics. Les pièces de 5 francs sont donc monnaie légale correcte, ni frappées de suspicion, ni menacées dès à présent de démonétisation: elles continuent d'être un des agents necessaires à la circulation. En Belgique plus qu'ailleurs l'absence ou la rareté de ces monnaies causerait une grande gêne et des embarras: il faut une coupure entre les pièces de 20 francs et les monnaies divisionnaires de 2 francs et au-dessous. La France a fabriqué pour plus d'un milliard de pièces d'or de 10 francs et pour plus de 233 millions de pièces d'or de 5 francs. En Belgique on n'a frappé que des pièces de 20 francs (pour environ 363 millions de 1865 à 1875 inclusivement). Les pièces d'or françaises de 10 et surtout les pièces de 5 francs sont d'ailleurs assez mal accueillies. Par un phénomène que la théorie pure expliquerait peut-être assez difficilement ou assez mal, loin de se plaindre d'une pléthore de pièces de 5 francs d'argent, depuis la dépréciation relative de ce métal, on a craint plus d'une fois de n'en avoir pas assez pour les exigences de la circulation. La Belgique en a frappé pour un demi-milliard à peu près, et récemment il n'y avait à la Banque Nationale que 30 millions 415 mille francs de pièces de 5 francs d'argent sur une encaisse totale de plus de 130 millions. A la même époque, d'après la déclaration faite au Sénat français à la séance du 22 mars, l'encaisse de la Banque de France se composait de 495 millions d'argent contre 1,325 millions d'or.

Les faits démontrent donc que la monnaie d'argent, malgré les énormes quantités produites avant la limitation, n'est pas surabondante, et de plus, que cette monnaie n'est pas démonétisée ou suspecte dans l'opinion générale, malgré la dépréciation relative du métal qui la constitue. S'il y avait excès pour les besoins de circulation, ou s'il naissait un doute ou un discrédit moral, l'une ou l'autre de ces causes suffirait à elle seule pour faire affluer la monnaie d'argent vers les réservoirs des banques.

Dans notre pays, où le moindre intérêt lésé ou se croyant seulement menacé pétitionne, se plaint ou réclame bruyamment, on chercherait en vain une pétition ou une plainte au sujet de notre système monétaire. Aucune des sinistres prédictions qui ont été renouvelées en 1873 ne s'est réalisée jusqu'à présent: ni la hausse des prix de toutes choses, ni la perturbation des changes à notre détriment, ni l'élévation de l'escompte. On déplore plutôt certaines baisses des prix; les changes ont, comme les prix, subi des fluctuations par des causes étrangères aux variations de la valeur relative des métaux précieux; ils nous sont en général favorables, tandis qu'il n'en a pas toujours été de même dans d'autres pays qui ont depuis longtemps ou récemment adopté l'étalon d'or unique. Le taux de l'escompte a varié aussi selon circonstances; une polémique pour ainsi dire chronique surgit lorsque, accidentellement, il est plus élevé en Belgique qu'en d'autres pays; mais le silence se fait bientot quand, d'une manière normale, il se fixe au taux le plus favorable existant ailleurs, et dont toutes les nations ayant l'or seul ne jouissent pas.

Pendant ces deux années 1874 et 1875, sous le régime de la libre fabrication de monnaies d'or, notre atelier de Bruxelles, tout incomplet qu'il soit, a produit, par l'action de l'initiative privée, 143,255,000 francs en pièces d'or de 20 francs. Déjà en 1876, jusqu'au 18 avril, la fabrication atteint à peu près 30 millions et demi. On a transformé ainsi des marcs allemands pour 37,152,000 francs, des impériales russes pour 46,758,000 francs, des dollars pour 12,691,000 francs, de l'or japonais pour 13,127,000 francs, des lingots pour 51,765,000 francs, et des monnaies diverses.

Le monnayage de l'argent pendant les trois années 1874, 1875 et 1876 n'atteindra pas 37,800,000 francs, y compris le solde de 5,840,000 francs reporté de 1873. Ce sera pour l'argent environ $15\frac{1}{2}$ centièmes de la fabrication totale de cette période, si la production de monnaie d'or atteint seulement le chiffre de 1875.

Notre circulation d'argent doit être alimentée dans une certaine mesure, sinon elle pourrait s'appauvrir trop l'exportation, et quand la faculté du monnayage illimité et libre n'existe pas, c'est nécessairement l'Etat qui doit prévoir ces besoins et y pourvoir. Il n'a pas à se préoccuper de l'idée de réaliser des bénéfices; mais lorsqu'il assume le charge éventuelle d'une démonétisation, si problématique qu'elle puisse être, n'est-il pas rationnel et juste qu'en ce cas il se réserve, à titre de précaution ou de compensation, les avantages de la fabrication des monnaies d'argent? Il assume forcément cette charge éventuelle. Personne n'admettra en effet que, dans notre loyale Belgique, puisse intervenir une loi qui, en cas de démonétisation, fasse subir au porteur de monnaies nationales non altérées, la perte résultant de la dépréciation relative du métal monétaire.

L'objection principale contre le monnayage d'argent, même limité, est précisément déduite de ce que la démonétisation aura lieu. Cette objection n'est pas nouvelle: on la faisait dès 1850 pour l'or, dont l'inévitable dépréciation et la démonétisation étaient prédites avec une complète assurance et avec effroi: elle s'applique aujourd'hui à l'argent. Il est rigoureusement possible que'un jour l'argent soit démonétisé dans les pays de l'Union latine; mais cela est fort incertain. Si la démonétisation a lieu, nul ne peut

peut prévoir dans quelles conditions l'opération se fera et à quelles quantités elle s'appliquera.*

Cette éventualité incertaine, et en tout cas assez éloignée, ne doit pas empêcher de satisfaire aux besoins actuels, tout en empêchant les spéculations d'intérêt purement privé.

La note et le tableau ci-annexés expliquent en détail les opérations d'achat d'argent et de monnayage faites pour le compte du Trésor public, et les bénéfices qu'elles ont produits. En 1875, pour régulariser entièrement la situation résultant de faits antérieurs à cet exercice, une partie du contingent a été monnayée pour la Banque Nationale.

Voici le résumé des opérations du Trésor :

	Fabrication.	Bénéfice.
	Francs. *c.*	*Francs.* *c.*
1874 - - - - - - - - -	6,117,501 82	81,911 01
1875 - - - - - - - - -	9,612,873 19	265,922 18
1876 - - - - - - - - -	10,729,179 76	1,017,305 66
TOTAUX - - -	26,459,554 77	1,365,138 85

Conformément aux précédents et à la nature des choses, ces sommes ont été ou seront portées aux Budgets des Voies et Moyens comme recettes accidentelles du Trésor.

La constatation des causes de la baisse de l'argent et la recherche des remèdes à ce mal préoccupent aujourd'hui tous les esprits, même et surtout dans les pays où l'étalon d'or unique est adopté. La discussion est largement ouverte et se poursuit notamment en Allemagne et en Angleterre. La Chambre des Communes a ouvert une enquête qui jettera sans doute de vives lumières sur ces questions à la fois si importantes et si complexes. Le devoir du Gouvernement est de suivre attentivement le mouvement des idées ou des résolutions qui seraient adoptées pendant cette phase nouvelle des discussions monétaires, et de profiter des enseignements que la science et l'étude apporteraient en vue de solutions pratiques : mais, pour le moment, il ne croit pas devoir faire de propositions touchant aux principes de notre législation.

En effet, aussi longtemps qu'on n'aura pas démontré, contrairement à une expérience décisive déjà faite, la possibilité pour la Belgique d'être en communauté monétaire avec la France en vertu des lois, sans être aussi en communauté par les faits, il faudra bien reconnaître la situation réelle créée par la Convention d'union de 1865. Il est moralement certain qu'avant le 1er janvier 1880, le régime accepté pour la Belgique par cet acte international ne sera pas changé quant aux bases essentielles. Probablement aussi, pendant deux ans au moins, l'entente se maintiendra entra les Puissances concordataires, pour garder l'attitude expectante prise de commun accord depuis le mois de janvier 1874.

Je propose donc d'assigner cette durée de deux ans à la nouvelle loi de prorogation que j'ai l'honneur de vous soumettre d'après les ordres du Roi. Si des circonstances aujourd'hui imprévues l'exigent ou le conseillent, rien n'empêchera d'ailleurs de devancer ce terme pour prendre d'autres mesures, comme rien ne paralyse l'initiative de ceux qui croiraient possible et utile un changement immédiat du système qui nous régit depuis près de quarante-cinq ans.

Le Ministre des Finances,
J. MALOU.

(Enclosures 2—7 of Mr. Lumley's, Commercial, No. 46, will not be printed.)

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* En Allemagne, lors du retrait des 539,276,416 marcs de monnaies d'or fabriquées dans les divers pays de la Confédération, il n'a été présenté à l'échange que 98,652,021 marcs, de sorte qu'on ignore ce qu'est devenu le surplus, soit 440,624,395 marcs. (*Documents monétaires*, 2me série, 9me fascicule, page 7.)

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SWITZERLAND.

— No. 8. —

(No. 25.—Commercial.)

Mr. *Corbett* to the Earl of *Derby*.

My Lord, Berne, 16 April 1876.

On receipt of your Lordship's Despatch of the 28th ultimo, marked Circular Commercial, I addressed a note to the Federal Government requesting to be furnished with the information required by the Committee of the House of Commons relative to the Depreciation of Silver.

I have the honour to inclose copy of the answer I have received from the President of the Confederation. M. Welti states that no reliable information can be obtained as regards the amount of Silver held in Cantonal banks. His Excellency refers to private banks. In Switzerland there is no Government bank.

I have, &c.
(signed) *Edwin Corbett.*

The Earl of Derby,
&c. &c. &c.

Enclosure in Mr. Corbett's, No. 25—Commercial.

Berne, le 12 Avril 1876.

En réponse à la note de M. le Ministre Représentant de Sa Majesté Britannique du 31 Mars dernier, par laquelle il a bien voulu lui demander divers renseignements en matière de monnaies, pour être transmis à une Commission de la Chambre des Communs, le Conseil Fédéral à lui fournir les indications suivantes :

En ce qui concerne d'abord les causes de la dépréciation de l'argent, le Conseil Fédéral n'est pas en position de donner d'autres détails que les faits qu'il peut supposer connus de tout le monde. Il n'existe pas en Suisse de marché des métaux précieux comme c'est le cas dans d'autres Etats, et notamment en Angleterre, aussi ne peut on fournir aucun renseignement sur l'importation et l'exportation de l'argent.

Quant à connaître les provisions d'or et d'argent qui se trouvent dans les banques cantonales, la chose n'est pas possible au Conseil Fédéral; il existe en effet, en Suisse, des conditions excessivement diverses sous ce rapport, et il ne serait guère possible d'obtenir des communications dignes de créance. La circulation métallique en Suisse doit être d'environ 300 millions par an, dont environ 100 millions en or et le reste en monnaies d'argent et de billon. Dans la Caisse Fédérale la proportion entre les deux sortes de monnaies est également de trois à un, en moyenne.

Depuis la conclusion de la convention monétaire des Etats latins de 1865 on a fait en Suisse les frappes suivantes :—

	francs.	
Pièces de 5 francs à 900 millièmes de fin, pour - -	8,051,750	
„ 2 francs à 835 „ „ - -	3,964,500	=13,551,750
„ 1 franc à 835 „ „ - -	1,035,500	
„ ½ franc à 835 „ „ - -	500,000	

Ensuite de la Convention précitée, la Suisse devra retirer de la circulation, d'ici à la fin de 1877, les frappes suivantes :—

	francs.	
Pièces de 2 francs à 800 millièmes de fin, pour - -	7,002,764	=10,520,848
„ 1 franc à 800 „ „ - -	3,518,084	

La Suisse n'a pas jusqu'à présent frappé de monnaie d'or, mais elle devra s'y résoudre dans la suite.

Le Conseil Fédéral regrette vivement de n'être pas en mesure de donner à M. le Ministre tous les renseignements que lui étaient demandés; il espère toutefois que les données ci-dessus pourront jusqu'à un certain point remplir le but.

Il saisit cette occasion, &c.
(signé) *Welti.*

E. Corbett, Esq.,
&c. &c. &c.

— No. 9. —

(No. 27—Commercial.)

Mr. *Corbett* to the Earl of *Derby*.

My Lord, Berne, 19 April 1876.

REFERRING to my Despatch, No. 25—Commercial, of the 16th instant, and with reference to the operations, as far as Switzerland is concerned, of the Monetary Convention of 1865, I have the honour to inclose copy of the Reports addressed to the Federal Council by the Swiss representatives at the Monetary Conferences held in Paris in the years 1874 and 1875. These Reports contain matter which may be interesting to the Committee of the House of Commons appointed to inquire into the causes of the Depreciation of Silver.

The Swiss Government are much impressed with the gravity of the results which may be expected to follow the present depreciation of Silver and its probable increase. The President told me yesterday that this Government had been anxious to induce the other Governments, members of the Latin Union, parties to the Convention of 1865, to adopt a single instead of the double standard of value now in use, but as they had ascertained beforehand that they would if it came to a vote find themselves in a minority, they had not proposed the change. His Excellency added that they would probably make the attempt at a future Conference, and if they could not carry the point, they might find themselves obliged to retire from the Union.

Unless an extraordinary meeting of the Conference should be convoked, it will not meet again before January 1877.

I have, &c.
(signed) *Edwin Corbett.*

The Earl of Derby,
&c. &c. &c.

ITALY.

— No. 10. —

Sir *A. Paget* to the Earl of *Derby*.

(No. 58—Commercial.)

My Lord, Rome, 31 May 1876.

ON receipt of your Lordship's Commercial Circular of the 28th March last, I requested Mr. Macbean, Her Majesty's Consul in Rome, to furnish me, for communication to your Lordship, with information as to the export and import of Silver in Italy, and also as to the stocks of Gold and Silver which have been and are held at present by the Italian Government or Government Banks.

I have now the honour to transmit to your Lordship a Memorandum which I have received from Mr. Macbean, embodying the information which he has been able to collect, and which, as he states, is chiefly derived from Italian official documents.

I have, &c.
(signed) *A. Paget.*

Right Hon. the Earl of Derby,
&c. &c. &c.

Enclosure in Sir *A. Paget's*, No. 58, Commercial.

MEMORANDUM by Mr. *Macbean*.

WE ascribe the depreciation of Silver to its demonetisation in Germany; to the reduced export of it to the East, which at one time absorbed a very large amount of Silver coin; to the forced currency given to paper in countries whose almost entire circulation used to be carried on in Silver; and to augmented yield of Silver in America, where, it is said, the yield (which 20 years ago was restricted to a value of about 12,000 *l.* sterling per annum) is now estimated at about a million sterling in the year.

No reliable records exist in Italy in regard to the export and import of Silver. Some time ago a Government Commission of Inquiry elicited from the Railway Company of Upper Italy a return of the declared value of the coin exported and imported along its lines during the six years ended 31st March 1874, which gave the following result:—

Silver exported - - - - - -	£. 4,064,720 sterling.
„ imported - - - - - -	8,844,608 „

But independently of the circumstance that this return applies only to one medium of transit, it is to be noted that the data were furnished under the reservation that the declared values were believed to be very much under reality.

From data which, although very imperfect, give an insight into the international traffic in coin, it results that from 1860 to the 31st December 1865, the importation of

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coin and bullion into Italy very much exceeded the exportation, and that in the year 1865, the imports for account of the State Banks exceeded the somewhat extensive exportation effected by private individuals.

And this assumption is borne out by the French Commercial Returns which estimate the value of the precious metals exported from France into Italy, during the five years ended 31st December 1865, to have exceeded that of the quantities imported from Italy, by 10,028,000 *l.* sterling.

It may therefore be certainly inferred that the foreign coin circulating in Italy on the 30th April 1866, when specie payments ceased in Italy, greatly exceeded in value the Italian coin circulating abroad.

The following was submitted, on the 15th March 1875, to the Italian Parliament as an approximate Estimate of the International Movement of the Precious Metals during the Years 1866–1873, compiled from details furnished by the Alta Italia Railway Company, and by Agents, at Italian Ports, for National and Foreign Steam Navigation Companies.

YEARS.	Imported.	Exported.	EXCESS.	
			Imported.	Exported.
	£.	£.	£.	£.
1866	6,256,000	11,820,000	-	5,564,000
1867	2,156,000	8,956,000	-	6,800,000
1868	6,392,000	6,376,000	16,000	—
1869	4,528,000	6,404,000	-	1,876,000
1870	5,120,000	6,260,000	-	1,140,000
1871	5,136,000	7,172,000	-	2,036,000
1872	4,956,000	7,328,000	-	2,372,000
1873	3,752,000	7,656,000	-	3,904,000
TOTALS for Eight Years, 1866 to 1873 £.	38,296,000	61,972,000	-	23,676,000

Thus showing an excess of exports from Italy over imports, in those eight years, 1866–1873, of 23,676,000 *l.*, or, taking only the seven years 1866–1872, an excess of exports amounting to 19,772,000 *l.*

This Return may well be acknowledged to be incomplete, inasmuch as the French Commercial Returns, which were at the same time presented to the Italian Parliament, represent the export from Italy during the same period to have been very much greater.

YEARS.	FIRST PERIOD.			
	Exports from France to Italy.	Imports into France from Italy.	Excess of Exports from France to Italy.	Excess of Imports into France from Italy.
	£.	£.	£.	£.
1860	2,852,000	2,356,000	496,000	—
1861	4,232,000	2,044,000	2,188,000	—
1862	4,392,000	2,116,000	2,276,000	—
1863	8,080,000	3,824,000	4,256,000	—
1864	5,836,000	5,928,000	-	92,000
1865	6,688,000	5,784,000	904,000	—
TOTALS for Six Years, 1860 to 1865 - £.	32,080,000	22,052,000	10,028,000	—
	SECOND PERIOD.			
	£.	£.	£.	£.
1866	3,064,000	9,108,000	-	6,044,000
1867	1,140,000	7,256,000	-	6,116,000
1868	2,740,000	2,816,000	-	76,000
1869	596,000	4,064,000	-	3,468,000
1870	352,000	3,552,000	-	3,200,000
1871	232,000	4,620,000	-	4,388,000
1872	320,000	4,212,000	-	3,892,000
TOTALS for Seven Years, 1866 to 1872 £.	8,444,000	35,628,000	-	27,184,000

VALUE of Italian Money coined from the Year 1862 to the under-noted Periods.

		To 30th April 1866.		From 1st May 1866 to 30th June 1874.		Totals from 1862 to 30th June 1874.
		£.	£.	£.	£.	£.
Gold (Standard 900)	100-franc pieces	1,896	- -	3,064	—	—
	50 „ „	- -	- -	206	—	—
	20 „ „	6,946,484	- -	1,652,960	—	—
	10 „ „	394,570	—	—	—	—
	5 „ „	120,953	—	—	—	—
			7,463,903		1,656,230	9,120,133
Silver (Standard 900)	5-franc pieces	263,088	263,088	8,328,428	8,328,428	8,591,516
Silver (Standard 900)	2 „ „	1,200,000	—	—	—	—
	1 „ „	2,314,634	- -	405,366	—	—
	50-centime pieces	1,037,912	- -	1,002,088	—	—
	20 „ „	232,138	- -	47,861	—	—
			4,748,684		1,455,315	6,240,000
Bronze	10-centime pieces	480,000	- -	1,400,000	—	—
	5 „ „	847,618	- -	140,000	—	—
	2 „ „	75,000	- -	40,000	—	—
	1 „ „	45,000	- -	20,000	—	—
			1,447,618		1,600,000	3,047,617
	£.		13,959,293	- -	13,039,973	26,999,266

The coin in the district of Rome, ascertained to have been issued by the Pontifical Mint between 1866 and the month of September 1870, was stated to be—

	£.
Gold (Standard 900)	235,864
Silver, five-franc pieces (Standard 900)	20,862
Divisional Silver of the value of 2½ francs down to 20 centimes (Standard 835)	1,232,397
Bronze coin	158,578
£.	1,647,701

The coin withdrawn from circulation throughout the kingdom between the 30th April 1866 and the 30th June 1874, amounted to 8,202,367 *l.* sterling, making, with what had been previously withdrawn, a total of 20,635,946 *l.* sterling. Of this last amount, the value of the Silver coin alone was 17,337,547 *l.* 9 *s.* 7 *d.* sterling.

The circulation on the 30th June 1874, as compared with that of the 30th April 1866, shewed an augmentation of 6,702,204 *l.* sterling.

The Government possessed in its coffers, in transit, and abroad—

	Gold.	Silver.
On the 20th June 1874	£. 798,820	£. 508,476
On the 31st August 1874	941,560	629,600

VALUE of GOLD and SILVER COIN and BULLION held on the 30th June 1874 by the Italian Government and by the Six Banks forming the Consortion authorised by the Italian Parliament.

	Gold.	Silver.	Ingots and Bars.	Deposited at the Mint.
	£.	£.	£.	£.
State Treasury, in hand, in transit, and abroad	428,296	515,652	—	—
Six authorised Banks	3,375,311	2,883,072	618,557	1,222,622
TOTAL £.	3,803,607	3,394,728	618,557	1,222,622

That effect, so far as Italy is concerned, of the Monetary Convention concluded on the 23rd December 1865, between the Governments of France, Belgium, Italy, and Switzerland, has proved highly advantageous. It encouraged the exportation and the employment abroad of the coin thrown out of circulation in Italy by the forced paper currency which came into operation on the 1st May 1866.

That law declared that contracts concluded in Gold and Silver money could not be

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enforced, and these having accordingly become of no use in Italy, as a means of effecting payments, quickly disappeared from circulation.

On the 30th April 1866, the day on which specie payments were suspended, the coin known to exist throughout the then kingdom of Italy was estimated at a value of 36,140,000 *l.* sterling, partitioned as follows:—

	£.	£.
Gold, decimal	16,760,000	
Ditto, non-decimal, intended for withdrawal	460,000	
		17,220,000
Silver, five-franc pieces	3,440,000	
Ditto, pieces of 2 and 1 franc, 50 and 20 centimes	4,780,000	
Ditto, convertible, in pieces worth from 4 *s.* to 8 *s.* sterling	8,700,000	
		16,920,000
Base metal, in pieces, value not exceeding 10 *d.* sterling		240,000
Copper or bronze, in decimal pieces	1,440,000	
Ditto non-decimal	320,000	
		1,760,000
TOTAL £.		36,140,000

Of the 1,440,000 *l.* bronze coin, above quoted, 600,000 *l.* existed in the coffers of the State, the issue thereof not having then been yet required for circulation.

The International Convention of 1865 enacted that the coin of each State should circulate freely in the other three States, as between Government and Government; but although such circulation was not compulsory as regards private individuals, still, as these last received indiscriminately the Gold and Silver coin of the four contracting powers, the inducement to export the Italian specie was very great.

Even the divisional Silver coin, possessing intrinsically 9 per cent. less than its nominal value, irresistibly found its way out of the country when the agio between Silver and Paper exceeded that rate. The Italian coinage was of the same weight, purity, and diameter as that of France, Belgium, and Switzerland—it was received freely at all the State Treasuries of those countries, and the researches of a Committee of Inquiry, which met in 1868, revealed the existence, in the coffers of the Bank of France and of the National Bank of Belgium, of a great abundance of Italian divisional Silver coin.

Even the Copper coin, the intrinsic value of which hardly represents the third part of its nominal value, acquired additional value as compared with the Bank notes, and was at one time hoarded to a considerable extent in the Neapolitan provinces.

Although the Convention contained no special provision for its circulation abroad, the Bronze coin of Italy was, nevertheless, received freely in France, where the shapes and weights were identical, and it was also largely received in the bordering cantons, Tessin and Grisons. In these cantons, as well as in France, the Italian Bronze coin is known to have been converted into Gold at a loss not exceeding 6 or 7 per cent., and its exportation was in consequence very much encouraged. The Italian labourers, who emigrated periodically to France and Switzerland, usually went well provided with Copper; but they took care to bring back their savings in Gold.

Previous to the enactment of the forced Paper currency, the Italian Government, as already stated, held in its coffers 600,000 *l.* value in Bronze coin. These were issued for the payment of the troops, as well as the salaries of employés. By decrees, dated 14th June and 18th July 1866, a further Bronze coinage, to the value of 800,000 *l.*, was ordered, and, to afford additional impulse to the issue of the divisional Silver, the Italian mint supplied, between the 1st of May and the 31st of December 1866, for the use of the Government, small coin (Silver) to the value of 744,000 *l.*, all of which quickly disappeared.

In 1867, the coinage of the small Silver was brought up to 6,240,000 *l.*, being the amount, in ratio, to the population of the Italian kingdom, allowed by the International Convention of 1865; but, as that coinage also disappeared quickly, a further issue of Bronze was ordered and carried out in 1868.

On the 30th of April 1866, when specie payments ceased in Italy, Bank notes were held in the same estimation as Gold; the exchange for Bills on London at 3 months' date stood at 24·95 in Leghorn, while, about two months later, the exchange reached 29·30, and

Gold had commanded a premium of	21	per cent.
Silver	„	„	15	„
and				
Copper	„	„	7½	„

For a long time Copper commanded a premium averaging from 3 to 3½ per cent., while in some of the Italian provinces it is known to have reached as high a premium as 12 per cent. in relation to Bank notes.

The

The object of the Convention of 1865 was to secure the joint circulation of Gold and Silver; the latter then threatened to disappear from circulation, owing to the rate at which its value in Gold was quoted in accordance with the legal proportion, between the value of the two metals, established by the monetary legislation of the four countries. But in 1873 an opposite tendency developed itself; the demonetisation of Silver in several countries, and more especially in Germany; the diminution in the export of Silver to India and China rendered Silver more abundant, and reduced its value, as compared with Gold, 3 and even 4 per cent. under the legal proportion above referred to; hence the great speculation offered for the coinage, in the four mints, of Silver coin to be afterwards substituted for the Gold in circulation. This state of matters could be attended with no real injury to Italy, whose Gold and Silver had long ago disappeared from circulation, but it could not be regarded with indifference in France, which possesses a very considerable metallic circulation, in addition to its Paper currency, and still less could it be a matter of indifference to Belgium and Switzerland.

On the initiative of Switzerland, another Conference was held in Paris, on the 31st of January 1874. Italy could not refuse its co-operation, were it only on the ground of international equity; but, with an eye to her pending interests, and to the arrival of the time when she might be enabled to resume specie payments, it was of great importance to secure the continuance of the advantages conferred by the Convention of 1865.

On the other hand, the condition itself of the forced Paper currency imposed on Italy the necessity of resisting any proposition tending directly to the adoption of one standard in lieu of the double standard—that is, by demonetising Silver, or limiting its legal tender, as in the case of the divisional coin, thereby contracting the means of circulation, and rendering more difficult a return to specie payments.

Accordingly, Italy would only agree to a measure tending to limit to certain determined amounts the right of the four countries to coin 5 franc pieces; but, in view of the possibility of a sudden change in the condition of affairs which had suggested the second Conference, it was resolved to restrict the operation of the new Convention to the year 1874.

The coinage of 5 franc pieces for that year was fixed at a value of 4,800,000 *l.* sterling, partitioned as follows:—

	£.
France - - - - - - - -	2,400,000
Italy - - - - - - - - -	1,600,000
Belgium - - - - - - - -	480,000
Switzerland - - - - - - -	320,000

Italy, however, was authorised to coin, in addition, a further amount of 800,000 *l.* sterling in 5 franc pieces, on condition that these should be deposited with the National Bank of Italy, to form part of its metallic reserve. It was further conceded to Italy that the Bank of Belgium should be obliged to receive Italian coin freely, and that the Bank of France should revoke some unfavourable restrictions which it had adopted to the prejudice of Italian coinage.

On the 5th of February 1875, a third monetary Convention was stipulated between the four Powers. It recognised the persistent commercial depreciation of Silver, which not only had receded from the legal ratio of 1 : 15½, as compared with Gold, but had lost 4 per cent. in value—the adoption by Germany of Gold as a sole standard, the demand for Gold instead of Silver for the trade of the extreme East, and the working of rich Silver mines in Virginia, U.S. To the intent of impeding the substitution of depreciated Silver for Gold, which menaced the countries which hold to the double standard, it was determined, after a lengthy discussion, to adopt for the year 1875 the same limitation in the coinage and issue of 5 franc pieces which had been fixed for 1874. In agreeing to such arrangement for the protection of the other three States, Italy obtained their sanction to the bringing into circulation of the 5 franc pieces (value 800,000 *l.*) which she had permission to coin in 1874, as a reserve fund for the National Bank of Italy, as also to recoin and re-issue (over and above her contingent of 1,600,000 *l.*, allotted by the Convention, for the year 1875) a further amount of non-decimal Silver, valued at 400,000 *l.*, expected to come in, during the year 1875, in part payment of Customs dues.

By way of reciprocity and compensation, the other three States were authorised each to increase by one-fourth the amount of its quota of 5 franc pieces.

It was appointed that the Conference should re-assemble in January 1876, for the purpose of providing for this current year, and the adoption of definitive measures was deferred to the period when the conditions of the four Powers, and the results of experience to be gained meantime, might permit their being carried into practice. I am not aware that these last deliberations have been published.

(signed) *Alex. Macbean*, Consul.

British Consulate, Rome, 30 May 1876.

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GREECE.

— No. 11. —

(No. 55.)

Mr. *Stuart* to the Earl of *Derby*.

My Lord, Athens, 29 March 1876.

THE depreciation of Silver has lately caused considerable uneasiness in Greece as well as in other parts of Europe, and the Minister of Finance has both applied to the different Chambers of Commerce for their advice in the matter, and held consultations with the principal bankers and financial authorities of Athens, with a view to discover some means of preventing further inconvenience.

The currency here being nominally a Silver one, the importation of Silver from countries in which it is at a discount has gone on increasing, and the exchange for bills upon London has now risen to 29½ dr. for the pound sterling.

The principal remedies suggested have been—

1. The adoption of the new monetary system, as stipulated in the Latin Monetary Convention.
2. The coinage at Paris of a sufficient number of Greek Silver coins to replace the foreign Silver coins at present in circulation.
3. The exclusion of Silver coins other than those stipulated in the Latin Monetary Convention.
4. Either to impose an import duty upon foreign coins other than those stipulated in the Convention, or to further reduce the tariff value of such foreign coins as are still in circulation.
5. To exclude, after a certain date, the acceptance as a legal tender of such of those foreign coins as are still in circulation.

I understand that no decision has yet been come to as regards the adoption of any of the above suggestions. The two last, if applied arbitrarily, or without sufficient notice, would probably produce much greater inconvenience than they would be intended to cure, as native and Latin coins have hitherto been scarce in comparison with the dollars, zwanzigers, and other foreign coins which form the bulk of the metallic currency, particularly in the Ionian Islands.

A small import duty upon foreign Silver coins would appear to be the simplest and easiest provisional remedy, giving time for the adoption of one or more of the others, and being capable of removal whenever its maintenance might be found superfluous, as would be the case if the present depreciation of Silver should turn out to be only temporary. The directors of the National and Ionian Banks are rather inclined to favour this course, if it can be legally carried into effect, as a palliative measure.

For myself, I do not feel competent to offer any advice, or even to express any opinion, upon a question requiring so much special knowledge, and beset with so many difficulties.

Under ordinary circumstances none of the above courses could be adopted without the sanction of the Legislature; and it would, perhaps, be safer to wait and see what means are employed by other nations similarly situated, and with what results, than to take any precipitate decision without reference either to the Chamber or to the decisions of such other nations.

I have, &c.

The Right Hon. the Earl of Derby, &c. &c. &c.

(signed) *W. Stuart.*

— No. 12. —

(Commercial.—No. 13.)

Mr. *Stuart* to the Earl of *Derby*.

My Lord, Athens, 22 April 1876.

WITH reference to your Lordship's circular Despatch of the 28th ultimo, and to my No. 55 of the 29th ultimo, I have the honour to enclose herewith, for the information of the Committee of the House of Commons, which is now engaged in inquiring into the causes of the depreciation of Silver, a copy of a Despatch from Mr. Consul Merlin, containing a memorandum, which I had requested him to draw up, respecting the currency in Greece.

I have also the honour to enclose a translation of the Royal Decree, under date of the 10th instant, to which Mr. Merlin alludes in his memorandum, declaring that after the 1–13th of August next the State will no longer receive other Silver coins than those of France, Switzerland, Italy, Belgium, and Greece; and in the meantime (or from 3rd May until 13th August) imposing an import duty of 10 per cent. upon all Silver coins other than those of the same nations.

This decree appears more or less to combine, either directly or indirectly, all the remedial suggestions which I had mentioned in my above-mentioned Despatch as having been under the consideration of the Hellenic Government, and, if no serious difficulties occur in its execution,

execution, it will by the 13th of August have completed the assimilation of the Silver currency of Greece to that of the other nations included in the Latin Monetary League. It will be seen from Mr. Merlin's memorandum that there is no mint in this country, and that no stock of either Silver or Gold is held by the Hellenic Government; that the reserve of specie held by the National Bank, according to the last return, was fifteen millions of francs, principally composed of the new Greek Silver currency, and that the reserve held by the Ionian Bank, of which Mr. Merlin is the general manager, amounting to four millions of drachmas (144,000 *l.*), and consisting principally of German and Mexican dollars, is now in course of being transmitted to Paris for conversion into the new Greek currency. Appendix, No. 21. *Fr.* 15,000,000. *Dr.* 4,000,000.

I have, &c.
(signed) *W. Stuart.*

The Right Hon. Earl of Derby,
&c. &c. &c

Enclosure 1 in Mr. W. Stuart's, No. 13—Commercial.

Sir, British Consulate, the Piræus, 17 April 1876.

I HAVE the honour to enclose a memorandum on the currency of Greece, which is about being assimilated to the franc, a long contemplated measure, the adoption of which has been accelerated by the recent depreciation in the value of Silver, and consequently in that of the Mexican and German dollars which have hitherto constituted the metallic currency of Greece.

I have, &c.
(signed) *C. W. Merlin.*

The Hon. W. Stuart, C.B.,
&c. &c. &c.

Enclosure 2 in Mr. W. Stuart's, No. 13—Commercial.

MEMORANDUM on the Currency of Greece.

THERE has been no Government Mint in Greece for many years past, consequently no stock of either Gold or Silver is held by the Hellenic Government.

Greece signified her intention of joining the Latin Monetary League some years ago; but is only now about assimilating her coinage to that of the nations forming that union, The new Greek currency in francs is being struck by the French Mint in Paris.

There is, however, very little coin of any description in this country, the real currency in Greece proper consisting of notes of the National Bank of Greece, whose value is expressed in new drachmes or francs, of which, according to the last return published by the bank, there are about thirty-two millions of francs' worth now in circulation.

These notes are only made payable in Athens, and are inconvertible in the Provinces.

The Athenian Branch of the National Bank has hitherto cashed its notes in either German or Mexican dollars, or any other Silver coins contained in the present government tariff.

According, however, to the new Royal Decree, dated 29th March and 10th April 1876, the notes of the National Bank must be paid in francs on the 1st and 13th of August next, after which period, all other Silver coins, excepting national ones, and those of France, Italy, Switzerland, and Belgium, will cease to be a legal tender.

In order to check any speculative importation of foreign Silver coins in the interim, an import duty of 10 per cent. is to be levied, after the 3rd of May next, on the importation of all Silver money excepting that of the Latin Monetary League.

The reserve of specie held by the National Bank of Greece, according to the last return, was fifteen millions of francs, and consists principally of the new Greek Silver currency.

The currency of the Ionian Islands is composed of German and Mexican dollars, and the notes of the Ionian Bank, of which about 200,000 *l.* worth are in circulation, the value of which is expressed in Mexican and Spanish dollars (Collonati). These notes are now being withdrawn from circulation and replaced by a new issue in francs.

The specie held by the Ionian Bank, amounting according to the last return to four millions of drachmes—144,000 *l.*), and consisting principally of German and Mexican dollars, is in the course of transmission to Paris to be converted into the new Greek currency.

British Consulate, (signed) *L. W. Merlin.*
The Piræus, 17 April 1876.

Enclosure 3 in Mr. W. Stuart's, No. 13—Commercial.

Translation of the Royal Decrees on the Greek Silver Currency.

GEORGES I., ROI DES HELLÈNES.

Vu les Articles 15 et 16 de l'Ordonnance Royale du 8/20 Février 1833, dont le premier détermine que les paiements au trésor doivent s'effectuer par des monnaies nationales, et le second excepte provisoirement et jusqu'à nouvel ordre différentes monnaies de nations étrangères ordonnant qu'elles soient aussi acceptées dans toutes les caisses de l'état;

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Ayant remarqué que la baisse de l'argent relativement à l'or qui se produit depuis quelque temps augmente chaque jour, et qu'elle produit le trouble dans les transactions et provoque l'importation de différentes monnaies d'argent étrangères dont la plupart n'ont pas cours légal et obligatoire dans aucun état de l'Europe, ce qui porte un préjudice évident aux intérêts de l'état et des particuliéres;

Considérant qu'il est nécessaire de défendre après un delai l'acceptation dans les caisses de l'état des monnaies d'argent des états avec lesquelles la Grèce n'a pas de convention monétaire, et de l'autre de limiter autant que possible leur importation jusqu'à l'expiration de ce délai; et

Vu l'Article 7 de la loi du 13/25 Février 1867 sur le tarif douanier;

De l'avis de notre Conseil des Ministres avons ordonné et ordonnons,—

Art. I.—Ne sont pas reçues, à partir du 1/13 Août prochain, dans les caisses de l'état les monnaies d'argent des nations étrangères, à l'exception de la France, de l'Italie, de la Belgique, et de la Suisse, avec lesquelles la Grèce est unie par une convention monétaire.

Art. II.—Les monnaies d'argent dont il est question dans l'article précédent, des nations étrangères qui ne sont pas unies avec la Grèce par une convention monétaire, qui seront introduits dans nos états à partir du 21 Avril (3 Mai) prochain, jusqu'au 31 Juillet (12 Août) prochain, sont soumises à un droit d'importation fixé à dix pour cent. de la valeur d'après laquelle elles sont reçues maintenant dans les caisses de l'état.

Art. III.—La présente Ordonnance sera soumise à la Chambre dans sa prochaine Session.

La promulgation et l'application de la présente Ordonnance est confiée à notre Ministre des Finances.

(signé) *Georges.*

Athènes, le 29 Mars (10 Avril) 1876.

A. Conmonudouros, J. C. Papazaphiropoales, S. Sotiropoulos, A. A. Coutostuolos, G. Milesis, A. Avgerinos, S. Karaiskakis.

RUSSIA.

— No. 13. —

(No. 33.—Commercial.)

Lord *A. Loftus* to the Earl of *Derby.*

My Lord, St. Petersburgh, 3 May 1876.

With reference to your Lordship's Circular Despatch of this series of the 28th of March last, I have the honour to forward to your Lordship, for the information of the Select Committee of the House of Commons appointed to inquire into the causes of the Depreciation of Silver, the enclosed returns, which have been furnished me through the courtesy of the Imperial Ministry for Foreign Affairs:—

1. No. 1. Stating the Export and Import of Silver in Russia during the years 1865–1874.

2. No. 2. The amount of Money Coined at the Imperial Mint during the years 1866–1875.

3. No. 3. The stocks of Gold and Silver held by the Imperial Bank during the years 1865–1876.

I have, &c.

The Earl of Derby, &c. &c. &c.

(signed) *Augustus Loftus.*

Enclosure 1 in Lord A. Loftus', No. 33—Commercial.

RETURN of the Value of Exportation and Importation of Silver in Bullion and Coin at the European and Asiatic Frontiers (Trans-Caucasian Territories excepted), from 1865–1874.

Years.	Exported.	Imported.	Years.	Exported.	Imported.
	Roubles.	*Roubles.*		*Roubles.*	*Roubles.*
1865 - - -	2,703,315	1,647,617	1870 - - -	828,490	515,824
1866 - - -	7,077,210	966,583	1871 - - -	616,124	918,769
1867 - - -	1,200,490	5,696,460	1872 - - -	1,000,566	4,924,638
1868 - - -	1,251,650	3,377,566	1873 - - -	104,268	17,630,892
1869 - - -	1,059,991	1,090,453	1874 - - -	91,026	9,603,822

Director,

Enclosure 2 in Lord A. Loftus', No. 33—Commercial.

RETURN of the AMOUNT, WEIGHT, and PRICE (Nominal and Converted) of MONEY Coined at the ST. PETERSBURGH MINT, 1866–1875.

YEARS.	GOLD DUCATS.					GOLD HALF-IMPERIALS.				
	Standard Proof.	Total Nominal Value.	Weight		Cost at Price of Conversion.	Standard Proof.	Total Nominal Value.	Weight		Cost at Price of Conversion.
			Of Alloy.	Of Pure Metal.				Of Alloy.	Of Pure Metal.	
		Roubles. ct.	poud. lbs. zol.* dol.†	poud. lbs. zol. dol.	Roubles. ct.		Roubles. ct.	poud. lbs. zol. dol.	poud. lbs. zol. dol.	Roubles. ct.
1866 - -	979 16	569,570 37	42 22 70 8	41 27 24 60	569,090 22½	916 6	19,500,030	1557 10 76 51½	1427 19 86 14	19,490,098 29½
1867 - -	„	569,570 37	42 22 75 51	41 27 29 92	569,109 18½	„	17,470,500	1395 8 30 40	1278 37 59 85	17,461,802 25¾
1868 - -	–	- - -	- - -	- - -	- - -	„	17,000,015	1357 25 85 84	1244 20 38 69	16,991,711 –
1869 - -	916 6	429,009 –	34 9 73 39	31 15 59 28	428,584 14¾	„	19,500,015	1557 10 69 36	1427 19 79 57	19,490,075 –
1870 - -	„	600,015 –	47 35 86 36	43 36 24 8	599,466 96¼	„	25,000,025	1996 19 28 31	1830 4 33 92	24,987,086 7½
1871 - -	„	600,009 –	47 35 80 26	43 36 17 56	599,443 85¼	„	4,000,015	319 17 38 89	292 32 59 65	3,997,908 18½
1872 - -	„	300,009 –	23 38 9 79	21 38 25 –	299,779 55½	„	12,000,015	958 12 11 90	878 17 74 91	11,993,695 81½
1873 - -	„	231,009 –	18 17 57 23	16 36 12 45	230,785 66¾	„	15,000,015	1197 36 41 –	1098 3 37 56½	14,992,517 64¼
1874 - -	„	810,009 –	64 26 67 25	59 11 13 63	809,349 89	„	24,000,015	1916 27 22 5	1756 38 28 20	23,988,324 29½
1875 - -	„	300,009 –	23 37 79 19	21 38 – 57	299,692 78	„	20,000,015	1597 10 42 8	1464 6 22 55	19,990,608 26¼

YEARS.	BANK SILVER.					SILVER CURRENCY.				
1866 - -	868 05	130,025 35	164 20 24 2	142 32 2 17½	129,980 25¼	750 0	3,226,003 35	4012 10 91 20	3009 8 20 39¼	2,739,045 54½
1867 - -	„	450,067 50	569 15 2 71	494 9 95 4	449,877 10⅜	500 0	5,032,541 45	5521 20 82 32	2760 30 41 16	2,512,905 76
1868 - -	„	800,005 25	1012 6 27 44	878 24 33 16	799,729 10¾	„	4,000,001 50	4389 1 36 25	2194 20 66 12	1,997,498 33¾
1869 - -	„	300,005 25	379 23 12 14	329 19 76 51	299,913 60½	„	5,000,960 50	5487 16 74 49	2743 28 37 24	2,497,385 54
1870 - -	„	400,008 75	506 2 84 63	439 11 90 79	399,859 39½	„	5,000,002 50	5486 10 40 82	2743 5 20 41	2,496,858 17½
1871 - -	„	900,005 25	1138 25 81 2	988 16 30 95	899,670 99	„	5,220,497 50	5728 9 22 67	2864 4 59 33½	2,606,981 53½
1872 - -	„	1,000,005 25	1265 4 38 26	1098 7 41 20	999,593 5¾	„	3,500,001 50	3840 13 45 67	1920 6 70 81½	1,747,779 99
1873 - -	„	700,007 –	885 22 47 51	768 28 66 56	699,703 60½	„	4,501,002 –	4938 25 30 83	2469 12 63 41½	2,247,626 77
1874 - -	„	700,005 25	885 24 5 38	768 30 4 66	699,734 44¼	„	4,276,001 50	4691 24 79 31	2345 32 39 63½	2,135,208 69
1875 - -	„	700,005 25	885 23 77 2	768 29 79 50	699,729 42¾	„	4,400,001 50	4827 34 5 31	2413 37 2 63½	2,197,208 80½

* 1 *zolotnik* = 2·408 drachms. † 96 *dolias* = 1 *zolotnik*.

Director,

Enclosure 3 in Lord A. Loftus', No. 33—Commercial.

RETURN of the Amount of GOLD and SILVER in the CAISSE of the IMPERIAL BANK for the Years 1865–76.

YEARS.	GOLD.		SILVER.		YEARS.	GOLD.		SILVER.	
	Roubles.	*copeks.*	*Roubles.*	*copeks.*		*Roubles.*	*copeks.*	*Roubles.*	*copeks.*
1865 - -	48,069,349	48	7,333,087	62	1871 - -	136,829,617	52	8,251,484	16
1866 - -	52,795,656	12	5,358,718	88	1872 - -	158,669,793	92	5,622,592	07
1867 - -	52,971,138	45	5,156,469	69	1873 - -	190,434,607	99	6,990,451	46
1868 - -	82,252,557	71	8,522,051	80	1874 - -	195,639,866	94	24,620,989	91
1869 - -	128,748,524	63	10,327,388	09	1875 - -	204,512,058	43	31,311,055	11
1870 - -	135,286,473	86	8,765,846	92	1876 - -	207,629,572	84	29,372,026	04

Director,

Appendix, No. 21.

AUSTRIA-HUNGARY.

— No. 14. —

(No. 19.—Commercial.)

Sir *A. Buchanan* to the Earl of *Derby*.

My Lord, Vienna, 10 April 1876.

On the receipt of your Lordship's Despatch, marked Circular, of the 28th ultimo, instructing me to procure information, for communication to a Select Committee of the House of Commons, appointed to inquire into the causes of the Depreciation of Silver, I addressed a letter to the Minister of Finance, requesting him to furnish me with information on the various points mentioned in your Lordship's Despatch having reference to this subject; and I have now the honour to enclose herewith the translation of an answer which I have received from his Excellency, complying, in as far as he is able to do so, with the wishes of your Lordship.

I have, &c.

The Earl of Derby, &c. &c. &c.

(signed) *Andrew Buchanan.*

Enclosures in Sir A. Buchanan's, No. 19—Commercial.

(Translation.)

Your Excellency,

In reply to your esteemed letter of the 2nd instant, I have the honour to transmit, for the information of the Silver Committee of the House of Commons, the accompanying statements of our Silver imports and exports and our Silver coinage from now to 1867, at which period the currency coinage obtained a general significance.

I should add the remark, that for this period in the total value of 77,027,029 fl. 8 kr., 23,496,649 fl. 8 kr. are for the dollars of the Levant, which are used in Asia and Africa; and in Gold for current coins, from 1867 to 1875, a total of 44,248,469 fl. 96 kr. is reached.

So far as your Excellency wishes for information as to the reserves of the State, it would be difficult to give them with any precision, as the fluctuation is so constant. According to the accounts of the Austrian half of the Empire, the years 1873–4 shew a supply of metallic currency of 14 to 17 millions of guldens of Austrian currency, and in Gold from half to one million.

The metallic reserve of the National Bank* was at the end of 1875—

	Fl.	*kr.*
In all coins - - - - - -	134,416,894	83·0
Being in gold - - - - -	67,854,046	3·5
„ in silver - - - - -	66,562,848	79·5

I avail, &c.

For the Ministry of Finance,

Vienna, 8 April 1876. (signed) *Prein.*

(* *N.B.*—This bank represents the whole Empire, and is the only bank of issue.—*Translator.*)

Import and Export of Silver in the Years 1867—1875.

(According to the Reports of the Austrian and Hungarian Custom Houses.)

	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.
	Zoll.—Centner.								
Imports:									
Silver bullion - -	141·77	926·57	84·64	72·06	881·64	465·44	1578·79	470·11	1596·55
Coins - - -	2045·20	3211·57	3194·87	2151·96	1151·62	1049·43	2301·41	1998·61	782·19
Exports:									
Silver bullion - -	·63	3·11	11·89	10·30	8·28	276·90	·17	2·84	10·65
Coins - - -	2817·71	2720·50	1327·22	2978·61	5459·6	9626·70	4823·38	3548·61	2698·38.

SILVER COINED in Austria-Hungary, from 1st January 1867 to 31st December 1875. Appendix, No. 21.

	CURRENT SILVER COINS.		OTHER SILVER COINS (SCHEIDE MÜNZE).	
	Fl.	*kr.*	*Fl.*	*kr.*
1867	7,767,136	59 O. W.	9,318	75
1868	9,416,208	38 „	8,371,197	90
1869	1,967,724	29 „	13,077,862	70
1870	5,453,554	60 „	14,067,514	10
1871	8,390,513	65 „	717,365	50
1872	8,624,215	65 „	1,087,726	50
1873	11,155,180	„	106,605	30
1874	9,936,832	53 „	132,371	30
1875	14,315,663	39 „	—	

— No. 15. —

Sir *A. Buchanan* to the Earl of *Derby.*

(No. 32.—Commercial.)

My Lord, Vienna, 10 June 1876.

IN compliance with the instructions conveyed in your Lordship's Despatch, Commercial, No. 28, of the 2nd instant, I have the honour to forward information, for which I am indebted to Her Majesty's Consul, in answer to the questions contained in Mr. Goschen's letter of the 26th ultimo, asking for further particulars respecting the Silver Currency of Austria-Hungary, for the use of the Select Committee on the Depreciation of Silver.

One Zoll Centner Silver produces 4,500 Silver Florin pieces, which are equal to about 4,600 florins paper currency, or about 377 *l.*, calculated at the present exchange.

Austria-Hungary has a Silver Currency. This currency consists in quarter florins, florins, and two florin pieces of pure Silver, less the necessary alloy for coining. But although nominally this currency exists, there is none of the Silver in circulation, and the large quantities of Silver in the country are in possession of the National Bank and the Government. Every Bank and State Note bears on its face the promise to pay its value in Silver, but the fulfilment of this promise cannot be demanded, as long as the law remains in force for the suspension of cash payments in Silver Currency.

At the time of that suspension there were no small coins except copper in circulation, and all sorts of plans, such as dividing florin notes into eight parts, were adopted in order to pay for the small necessaries of the people. Recourse was therefore had to the issue of very small notes as low as 10 kreuzers (2*d.*); but this most singular paper currency became so dirty and inconvenient that the Government eventually withdrew it, substituting for it the issue of the existing small currency of 5, 10, and 20 kreuzer pieces, known as Silver (Scheide münze).

There were two issues of this "Scheide münze;" the first contained 43 per cent. Silver and 57 per cent. alloy. Mr. Weckissheim considers that the issue of this "Scheide münze," since 1859, amounts to a total of about 32,000,000 florins.

* * * * * *

As to the dollars of the Levant, he states that the first coinage of these dollars took place in the year 1784, since which period about 75 millions of florins have been coined, which have all been exported to the Levant; their value is $2\frac{1}{10}$ florins in Silver, less the necessary alloy and cost of coinage. They are an article of commerce. The bankers import the bars of Silver, send them to the Mint, pay $1\frac{1}{2}$ per cent. for costs of coinage, and receive as many dollars as their bars contained.

He believes at the present moment coining these dollars must bear a fair profit, as the Mint is fully occupied in coining them, on account of persons trading to Alexandria and the East.

There is nothing yet to shew what the future policy of the Government may be in this question.

I have, &c.

The Earl of Derby, &c. &c. &c.

(signed) *Andrew Buchanan.*

Appendix, No. 21.

GERMANY.

— No. 16. —

(No. 19.—Commercial.)

Lord *Odo Russell* to the Earl of *Derby*.

My Lord, Berlin, 14 April 1876.

With reference to your Lordship's Despatch, No. 9, Commercial, of the 25th ultimo, I regret to say that I have not yet been able to collect all the information required by your Lordship for the Select Committee of the House of Commons, appointed to inquire into the causes of the Depreciation of Silver in consequence of the total absence of authentic or official statistics on the subject; but I have applied to the German authorities, who will, I am sure, supply the deficiency with their wonted courtesy.

Meanwhile, I have received a memorandum by a gentleman who is well acquainted with the subject, of which I have the honour to enclose a translation by Mr. Dering, as well as a copy of Dr. Soetbeer's work therein recommended.

I have, &c.

The Earl of Derby, &c. &c. &c.

(signed) *Odo Russell.*

Enclosure 1 of Lord Odo Russell's No. 19—Commercial.

(Translation.)

Memorandum.

The question of the Depreciation of Silver is in general attributed to excess of production, the transition to a Gold currency in Germany, the Netherlands, and in the Scandinavian Kingdoms, and to the diminution of the export to India.

As statistics have been long since brought forward in support of these assertions, they will not be touched upon here. I would only call attention to the fact that the increase of production has not caused any corresponding increase of silver importation into Europe. In proof of this, I extract the following statistics from English official sources, remarking that in the second list, under the head "Other Countries," I have allotted half to European and half to non-European countries:—

Year.	Gross Import.	Export.	Remaining in England.
	£.	£.	£.
1871 - - - - - -	16,527,322	13,062,396	3,464,926
1872 - - - - - -	11,167,467	10,586,945	580,522
1873 - - - - - -	12,992,709	9,828,065	3,164,644
1874 - - - - - -	12,298,169	12,211,957	86,212
1875 - - - - - -	10,123,955	8,906,726	1,217,229
January and February 1876 - -	1,398,741	1,437,005	—

In

In January and February of this year, at the moment in which the price of Silver had fallen considerably, the export of that article from England exceeded the import by 97,134 *l.* Appendix, No. 21.

Years.	European Countries.	Non-European Countries.	Years.	European Countries.	Non-European Countries.
	£.	£.		£.	£.
1871 :—Import -	3,439,961	13,087,361	1874 :—Import -	4,159,875	8,138,284
Export -	9,121,238	3,941,158	Export -	5,085,006	7,126,951
Import - £.	−5,681,277	+9,146,203	Import - £.	−925,131	+1,011,333
1872 :—Import -	3,479,973	7,687,494	1875 :—Import -	2,886,907	7,237,048
Export -	4,001,827	6,585,118	Export -	4,576,688	4,330,038
Import - £.	− 521,854	+1,102,376	Import - £.	−1,689,781	+2,907,010
1873 :—Import -	2,591,669	10,401,640	January & February 1876 :—Import -	449,069	890,802
Export -	6,278,478	3,550,577	Export -	684,926	752,079
Import - £.	−3,686,809	+ 6,851,063	Import - £.	−235,857	+138,723

The total import of Silver *into* England has not thus increased from any increase in the production of the metal.

The production in America rose from 22,000,000 dollars in 1871, to 58,000,000 dollars in 1875, *i.e.*, 263 per cent.

On the other hand, the total import of Silver into England has fallen from 16,527,322 *l.* in 1871, to 10,123,955 *l.* in 1875. The import from Mexico, and from North America, and the United States having receded from 9,069,000 *l.* in 1871, to 6,544,000 *l.* in 1875; and from all non-European countries, from 13,087,361 *l.* in 1871, to 7,237,048 *l.* in 1875.

It is true that in 1871 China sent Silver to England in excess of what she received of her to the amount of 3,055,116 *l.*, but also from 1872–75 the import from non-European countries fell from 7,687,494 *l.* to 7,237,048 *l.*

The heavy fall in value of January and February from 56⅛ to 53⅛ can, therefore, only have been caused by "opinion" (die meinüng); the dread of a continued decrease in value has no doubt reduced the purchases to a minimum. In the foregoing statistics this idea finds no corroboration.

The question as to what quantity of silver still remains for sale in Germany, is intimately connected with the question of the present amount of thaler-pieces still in circulation in Germany, and on this point there are many divergences of opinion.

It may fairly be calculated that at the commencement of the reform of the coinage there were in circulation Silver coins of the value of at least 900 millions of marks.

There have been withdrawn, up to the close of last January, 396,217,079 marks.

There have been coined up to 29 January, 175,765,862 marks, leaving 220,451,217 marks.

These sums represent the sales which have taken place, as well as provision for further coinage. Art. 4 of the Coinage Law decrees that "for the present" Silver coins to the amount of ten marks for every person shall be struck, or about 420 millions of marks, and deducting the sum already coined, say, in round numbers, 176 millions of marks, there still remained to be coined at the end of January, about 244 millions marks worth of Silver coins. Taking the amount in circulation before the Coinage Reform Law at 900 millions of marks as above, there would seem to have been about 500 millions, in round numbers, in circulation at the end of January, and the amount of Silver still to be realised (verwerthen) may be set down at about 400 millions of marks, or 133 millions of thalers.

I would further remark that from an official reportof the sales of Silver up to 30 November 1875, it appears that 696,194,$\frac{577}{1000}$ lbs. of Silver, of a nominal value of 65,845,938 marks, were sold at 60,621,090, or at 87 marks to the lb., and at a loss, consequently, of about 8 per cent., representing 5,224,848 marks. From this document it appears that the sale of bar Silver takes place partly, it is true, at banks in Berlin, who export them on their own account, but principally abroad, where they are sold on Government account. The exact details, however, of these separate banking operations, especially those transacted abroad, take a long time in collecting. And the sum 65·8 millions of marks represents but a portion of the Silver brought into the market up to the end of November 1875.

An agreement is come to, according to the circumstances of the moment, as to the time and rate at which a conversion of Silver coin shall take place. When the fact is taken into consideration that there were in circulation on the 31st January 1874, in Germany, bank notes of a value under 100 marks each, to the amount of 515 millions of marks, and that a

Appendix, No. 21.

considerable portion of these notes has to be replaced by small change, a better appreciation can be made of the above cited regulation as to the coinage, and a destination easily found for a portion of the Silver coins still remaining to be called in.

There remains, besides, the possibility of an export to Austria, where, however, I beg distinctly to observe, the National Bank is endeavouring to accumulate Gold in its cellars, and to reject Silver. This bank possessed at the end of

Year.	Gold.	Silver.	Total.
	Gulden.	*Gulden.*	*Gulden.*
1855 - - -	5,755	51,875,327	51,881,182
1858 - - -	2,919,618	100,586,698	103,506,316
1865 - - -	1,507,105	120,014,665	121,521,770
1871 - - -	44,403,430	99,093,014	143,496,444
1875 - - -	67,854,046	66,562,849	134,416,895

The Imperial Bank, on the 31st December 1875, had not realised its Silver reserve, as there appears in the balance sheet on the credit side a sum of 23,161,892 marks, described as "various claims," inclusive of the Silver reserve in bar and specie (sorte). This specie can only be Silver coins which, under the Bank Law, is not available for the redemption of bank notes.

This balance sheet does not give the amount of Silver reserve. At the end of 1874 there were 23,277,247 marks in bar Silver, and the "miscellaneous" or "various" claims amounted then to about 12 millions of marks. In like proportion the present amount to be realised by the Imperial Bank may be estimated at about 11 millions of marks, as on reviewing the weekly balance sheets published during the past year, there do not seem to have been any sales of Silver.

No complete statistics of the measures adopted for reforming the coinage in Germany exist.

I think, further, I am justified in recommending a work now appearing in parts, "The German Coinage System," by Dr. Adolp Soetbeer, 1876, published by Palm and Encke.

No statistics are to be found respecting the import and export of Silver since the introduction of the Coinage Reform Act.

— No. 17. —

(Commercial.—No. 24.)

Lord *Odo Russell* to the Earl of *Derby*.

My Lord, Berlin, 6 May 1876.

With reference to your Lordship's Despatch, No. 9—Commercial, of the 25th ultimo, and to my reply, No. 19—Commercial, of the 14th ultimo, respecting the causes of the depreciation of Silver, I now have the honour to enclose the collection of documents which Herr von Bülow has had the goodness to obtain from the Reich's Kanzler Amt for Her Majesty's Government, and for the use of the Select Committee of the House of Commons appointed to inquire into that question.

The enclosures are five in number, of which No. 1, a quarto-bound volume, contains the complete collection of the new Imperial Coinage and Bank Laws, together with the Parliamentary Reports relating to them.

Enclosure No. 2 contains an index to the same, divided under the following heads :—

1. Currency, or Coinage Laws.
2. Bank Note Laws.
3. Bank Laws.
4. Laws respecting the Issue of Paper Money and Exchequer Bills.

Enclosure No. 3 contains Nos. 15 and 16 of the "Official Gazette" for the German Empire of the 14th and 21st of April, giving the latest information respecting the issue of the new and the withdrawal of the old currency, the Exchequer Bill regulations of the 30th of April 1874, and the Bank Note Laws of the 21st of December 1874.

Enclosure

Enclosure No. 4 contains the reply to your Lordship's queries as to how much Silver has thus far been sold by the German Government, and to what countries the Silver sold has been dispatched. Appendix, No. 21.

For dates and details, I beg to refer to the bound collection of laws, Enclosure No. 1, at the end of the first section, "Münzgesetze," No. 52, No. 39, No. 105, and No. 70, marked in pencil.

Enclosure No. 5 contains Dr. Adolf Soetbeer's articles on the constitution of the German Bank and on the Currency Laws, which, without being official, are still recommended as trustworthy by Herr von Bülow.

His Excellency informs me, at the same time, that the German Government are not in a position to state with any degree of certainty who the principal purchasers have been, because the purchase and sale of Silver is carried on, as a rule, by agents who are not in the habit of disclosing for whom the purchases are effected, nor have the markets to which the Silver is sent by those agents generally been named to the Government, so that they cannot tell whether the sums marked in the enclosure under the head of "Anderweitig" (elsewhere) have been bought for England or for the East.

Enclosure No. 4 therefore contains all that the German Government know themselves on the subject.

The answer to the fourth query in your Lordship's Despatch, respecting the periods at which the principal sales have taken place, and how they have been conducted, is therefore that sales take place at all times, according to the demand for Silver made by the above-named agents.

His Excellency also states that the following queries: "What further quantity of Silver is the German Government likely still to sell, and where, and how much Silver will be required for subsidiary coinage in Germany?" cannot yet be answered, because of the absence of any statistical basis according to which the amount of Silver that will have to be sold or that may still be required for subsidiary coinage could be judged.

On the one hand, the amount of the loss of old Silver coins occasioned by war, exportation, emigration, manufacture, &c. &c., during the course of the last century, cannot be estimated so long as the thalers have not been demonetized; and, on the other hand, the amount of the new Silver currency required for general circulation (the legal tender, according to the law of the 9th July 1873, being limited to 20 marks), can only be ascertained in course of time by experience.

The maximum issue of the new Silver currency is fixed by Article 4 of the Coinage Law at 10 marks a head on the whole population, but, in course of time, the amount required will, in reality, be considerably larger, larger even than in England, because the habits of Germany in regard to housekeeping and business transactions necessitate a far larger amount of Silver currency for payments which cannot be made in Gold.

I have, &c.
(signed) *Odo Russell.*

The Earl of Derby,
&c. &c. &c.

Enclosures 1, 2, and 3 (in German) omitted.

Enclosure 4 in Lord Odo Russell's, No. 24—Commercial.

SUMMARY of SALES of SILVER on account of the State.

YEARS.	There was Sold		
	To London.	East Indies.	Other Countries.
	Lbs. fine.	*Lbs. fine.*	*Lbs. fine.*
1873 - - - - -	- - -	66,632,180	39,292,192
1874 - - - - -	128,138,478	347,367,433	188,534,802
1875 - - - - -	36,701,799	39,644,461	178,287,795
1876 - - - - - (Up to 20 April.)	108,439,183	- - -	151,409,518
TOTAL - - -	273,279,460	453,644,674	557,524,307

Lbs. fine.

Altogether there have been Sold - - - 1,284,447,841

Appendix, No. 21.

HOLLAND.

— No. 18. —

(No. 34.—Commercial.)

Sir *Edward Harris* to the Earl of *Derby*.

My Lord, The Hague, 12 April 1876.

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch, No. 23, Commercial, of the 25th ultimo, inclosing the copy of a Despatch in which your Lordship requested certain information from Her Majesty's Ambassador at Berlin, respecting Silver currency in Germany, and instructing me to furnish your Lordship with similar information in regard to Holland.

In reply, I have the honour to state that there have been no operations in Holland, similar to those undertaken in Germany, for the demonetisation of Silver, nor have any laws bearing on that subject been passed in this kingdom.

The only legislative enactment having reference to the currency, which has been passed in latter times by the States General, is the law which came into force on the 1st of July of last year, providing for the coinage of Gold pieces of ten florins each, but leaving the question of the existing Silver standard and currency untouched.

I had the honour to transmit to your Lordship a translation of that law, as presented to the Second Chamber, in my Despatch No. 53, of April 30th of last year; and in my Despatch No. 75, of the 10th of June following, I reported that it had passed both Chambers.

Under the law in question, about fifty-six millions of florins worth of Gold pieces have been coined up to the present time; but the Netherlands Government has taken no part in this operation, the whole amount having been coined for account of private individuals, and chiefly for the Bank of the Netherlands, which, I should observe, is not a Government establishment.

The whole question of the currency, and especially that of the standard to be ultimately adopted in this country, is now under the consideration of the Government, and a Bill on the subject must be presented to the Chambers before the close of the current year, as the law above referred to for the coinage of Gold pieces, whilst retaining the Silver standard, was passed as only a temporary measure, and with the proviso (as set forth in Article 7 of the Law) that it should be revised or amplified before the 1st of January 1877.

I have, &c.

The Earl of Derby, &c. &c. &c. (signed) *E. A. J. Harris.*

SCANDINAVIAN KINGDOMS.

DENMARK.

— No. 19. —

(No. 15.—Commercial.)

Sir *C. Wyke* to the Earl of *Derby*.

My Lord, Copenhagen, 22 May 1876.

REFERRING to your Lordship's Despatch, marked "Circular—Commercial," of the 28th instant, and to my No. 11 of the same series of the 7th instant, I have now the honour to transmit to your Lordship a statement respecting the coinage operations of Denmark during the past five years, which has been drawn up by Mr. Gosling, Second Secretary to this Legation.

I have, &c.

The Right Hon. the Earl of Derby, &c. &c. &c. (signed) *Charles Lennox Wyke.*

Enclosures in Sir C. Wyke's, No. 15—Commercial.

Sir, Copenhagen, 22 April 1876.

OBEDIENTLY to your request I have endeavoured to obtain such information respecting the export and import of Silver, and as to the coinage operations in Denmark, as would enable me to shew in a tabulated form what those operations have been during the period 1871–1876.

It is to be remarked that the Government is no holder of stock.

It is shewn in Table A that during the period 1871–75 the import of Gold exceeded the export of that metal by 44,326,401 kroner (*about 2,462,577 *l.*), whilst during the same period the export of Silver exceeded the import thereof by 10,535,626 kroner (about 585,312 *l.*).

The same Table shews that during the year 1873, 26,751,770 kroner (about 1,486,209 *l.*) in gold bars, were delivered by the National Bank to the Royal Mint for coinage.

In

* *Note.*—The krone has been taken in this letter as equal to the $\frac{1}{18}$th of a £ sterling.

In Table B we find the Government a large seller of Silver during the period 1873–76, subsequent to the adoption of the new monetary system, the amount making a total of 15,364,000 kroner (about 853,555 *l.*).

Table C, which deals exclusively with coinage operations, shews that in consequence of the new monetary system, Gold was coined to the extent of 26,751,770 kroner (about 1,486,209 *l.*), and Silver 13,892,350 kroner (about 771,797 *l.*), Gold being in excess of Silver by 12,859,420 kroner (about 714,412 *l.*)

Table D shews that on the 31st of last month the Danish National Bank held 26,373,231 kroner 78 öre in Gold (about 1,465,179 *l.*), and 8,737,719 kroner, in Silver (about 429,873 *l.*), or an excess of Gold over Silver of 18,635,512 kroner (about 1,035,306 *l.*).

The opinion prevalent in this capital as to the causes of the fall in the value of Silver are the following:—the over-abundant supply from the mines of America, the demonetisation of that metal by Germany, and the diminishing demand in Europe, owing to so many great nations having suspended specie payments.

I am, &c.
(signed) *Audley Gosling.*

Sir C. Lennox Wyke, K.C.B.,
&c. &c. &c.

Table A.

Bullion Transactions by the Danish National Bank.

Years.	Gold in Bars and Foreign Specie.		Silver in Bars.	
	Import.	Export.	Import.	Export.
	Kroner.	*Kroner.*	*Kroner.*	*Kroner.*
1871 -	4,290,070	- - -	20,611,481	18,437,991
1872 -	24,065,114	3,650,599	10,503,469	18,657,761
1873 -	15,670,937	3,120,798	—	—
1874 -	5,575,120	7,178,209	- - -	2,441,189
1875 -	8,674,766	- - -	- - -	2,113,635
Kroner	58,276,007	13,949,606	31,114,950	41,650,576

Note.—Gold Bars delivered by the Danish National Bank to the Royal Mint for Coinage, 1873, *Kroner* 26,751,770.

Table B.

Amount of Silver sold by the Danish Government since the adoption of the New Monetary System.

	Kroner.
1873–74 -	9,284,000
1874–75 -	1,000,000
1875–76 -	5,080,000
Kroner -	15,364,000

Table C.

Coinage Operations in *Denmark*, in consequence of the adoption of the New Monetary System.

Years.	Gold Coins.	Silver Coins.
	Kroner.	*Kroner.*
1873–74 - - -	26,751,770	—
1874–75 - - -	- - -	2,922,094
1875–76 - - -	- - -	10,970,256
Kroner - - -	26,751,770	13,892,350

Appendix, No. 21.

TABLE D.

STOCK of GOLD and SILVER held by the Danish National Bank on the 31st March 1876.

	Kroner.	*Ore.*
Gold - - - -	26,373,231	78
Silver - - - -	7,737,719	82

N.B.—No Stock was held by the Government.

18·16 kroner = £. 1.
100 ore = 1 krone.

21 April 1876. (signed) *Audley Gosling,*
Second Secretary.

SWEDEN.

— No. 20. —

Mr. *Erskine* to the Earl of *Derby.*

(Commercial, No. 25.)

My Lord, Stockholm, 27 May 1876.

IN compliance with the instructions contained in your Lordship's Despatch Circular, Commercial, of the 28th of March last (not received until April 19), I immediately wrote to the Minister for Foreign Affairs for any information with which he could furnish me as to the export and import of Silver in Sweden and Norway, and the other points bearing on the depreciation of Silver, mentioned in your aforesaid Despatch.

The desired information, in so far as Sweden is concerned, might perhaps have been forwarded somewhat sooner; but General Björnstjerna was waiting for the returns from Norway, which have not yet been received, and it was only on being told that your Lordship wished for any available details as soon as possible, that his Excellency addressed me the note and its enclosure, of which the accompanying are copies, whilst the Norwegian returns will follow sparately as soon as may be practicable.

I have, &c.
(signed) *E. M. Erskine.*

The Earl of Derby,
&c. &c. &c.

Enclosure in Mr. *Erskine's,* No. 25, Commercial.

Monsieur le Ministre, Stockholm, le 26 Mai 1876.

ME référant à votre office en date du 19 Avril dernier, j'ai l'honneur de vous transmettre ci-joint un tableau indiquant pour chacune des années 1866 à 1875 la quantité d'Argent importée et exportée, et de monnaies d'Argent frappées, ainsi que l'encaisse en Or et en Argent se trouvant actuellement dans la Banque du Royaume de Suède.

Je dois ajouter en outre que les chiffres en question donnent les quantités en métal fin, que l'Argent importé, ainsi que l'encaisse en Argent, comprend des monnaies d'Argent suédoises et étrangères de titres divers, et qu'en conséquence les données à ce sujet ne sont qu'approximatives.

Que l'encaisse sus-dit constitue tout l'avoir de l'Etat en Or et en Argent, à l'exception d'une petite quantité de métal se trouvant à la monnaie et dont il n'a pas été tenu compte.

Par suite des changements introduit en 1874 dans la Législation monétaire, les banques privées se sont procurées des encaisses en monnaies d'Or. A la fin de 1875 ces encaisses se montaient à 3,600 kilogrammes, et le 31 Mars à environ 3,500 kilogrammes d'Or fin.

Les données correspondantes pour la Norwége vous seront transmises aussitôt qu'elles me seront parvenues.

Veuillez, &c.
(signé) *O. M. Björnstierna.*

M. Erskine.
&c. &c. &c.

RETURN of Quantities of SILVER Exported from and Imported into *Sweden*, and Coined.

YEARS.	WEIGHT in Kilogrammes of pure Metal.					*VALUE in £. sterling. [1 kilogramme pure Gold = - - £. 136 11 4 1 „ „ Silver = - 8 - -]				
	Importation et Exportation d'Argent.		Monnaie d'Argent frappée à la Monnaie Royale.	En caisse à la Banque de Suède à la fin de chaque Année.		Imports and Exports of Silver.		Silver Coined at the Royal Mint.	Sums held by the Bank of Sweden at the Close of each Year.	
	Importation.	Exportation.		Or.	Argent.	Imports.	Exports.		Gold.	Silver.
	Kilos.	*Kilos.*	*Kilos.*	*Kilos.*	*Kilos.*	£.	£.	£.	£.	£.
1866 - - -	6,304	3,672	1,045	80	63,843	50,432	29,376	8,360	10,925	510,744
1867 - - -	5,300	- -	3,072	45	64,767	42,400	-	24,576	6,145	518,136
1868 - - -	8,706	7,823	3,071	63	66,361	69,648	62,584	24,568	8,604	330,888
1869 - - -	14,655	16,940	8,142	411	59,725	117,240	135,520	65,136	56,129	477,800
1870 - - -	9,426	6,297	4,361	386	59,857	75,408	50,376	34,888	52,715	478,856
1871 - - -	27,979	13,240	9,975	963	76,656	223,832	105,920	79,800	131,514	613,248
1872 - - -	28,534	595	76	2,684	103,371	228,272	4,760	608	366,545	826,968
1873 - - -	20,224	19,589	1,464	6,001	92,035	161,792	156,712	11,712	819,536	736,280
1874 - - -	2,740	39,975	4,712	6,406	67,402	21,920	319,800	37,696	874,846	539,216
1875 - - -	7,696	917	29,634	4,284	63,149	61,568	7,336	237,072	585,052	505,192
Le 31 Mars 1876 -	- -	- -	- -	4,140	58,159	—	—	—	565,386	465,272
TOTALS, 1866–75	131,564	109,048	65,552			1,052,512	872,384	524,416		

* The Figures for Value have been added by direction of the Chairman.

For convenience sake, the figures for *Silver* have been converted at the rate of 55·61 pence per oz. standard, because, at that rate, 1 kilogramme of pure Silver is worth almost exactly 8 *l.*

One kilogramme of pure *Gold* has been taken as worth 136 *l.* 11 *s.* 4 *d.*

NORWAY.

— No. 21. —

Mr. *Erskine* to the Earl of *Derby*.

(Commercial, No. 27.)

My Lord, Stockholm, 31 May 1876.

WITH reference to my Despatch, Commercial, No. 25, of the 27th instant, I have now the honour to transmit to your Lordship copy of a note from General Björnstjerna, covering a table showing the quantities of Silver imported into and exported from Norway during the last 10 years; as well as of Silver extracted from the mine of Kongsberg, and of coined and uncoined Silver held by the Bank of Norway during the same period.

I have, &c.

The Earl of Derby, &c. &c. &c.

(signed) *E. M. Erskine.*

Enclosure in Mr. *Erskine's*, No. 27, Commercial.

Monsieur le Ministre, Stockholm, le 29 Mai 1876.

ME référant à mon office en date du 26 de ce mois, jai l'honneur de vous transmettre ci-joint pour ce qui concerne la Norwége, des tableaux indiquant pour les 10 dernières années l'importation et l'exportation d'Or et d'Argent monnayés et non monnayés, la production d'Argent, et enfin l'encaisse en Or et en Argent à la Banque de Norwége à la fin de chaque année.

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Je dois y ajouter les renseignements suivants:

La statistique de l'importation et de l'exportion est peu exacte, excepté en ce qui concerne les années 1868–1873, pour lesquelles les données de la Douane Norwégienne ont pu être corrigées jusqu'à un certain point à l'aide des listes sur l'importation tenues en Danemark et à Hambourg.

D'un autre coté il est impossible de préciser le rapport entre les quantités d'Or et d'Argent importées et exportées. Toutefois en prenant pour base le tableau de l'encaisse à la banque à la fin de chaque année, on peut conclure que pour les années 1866–1871, le mouvement a porté principalement sur l'Argent. Pour l'année 1872, on peut évaluer l'importation de l'Or à 530,000 riksdalers species. On peut calculer qu'ensuite de l'adoption de l'étalon d'Or en vertu de la loi du 4 Juin 1873, l'importation a consisté pendant cette année presque exclusivement en Or et l'exportation en Argent. Sans doute il en a été de même en 1874 et en 1875. Durant cette dernière année les listes de la Douane accusent une exportation d'Argent monnayé de 480,000 riksdalers species.

Au sujet du monnayage d'Argent, il faut prendre en considération qu'environ 56,000 riksdaler species ont été frappés en utilisant de vieilles monnaies retirées de la circulation.

Si l'on ne tient pas compte de la quantité d'Argent que la Banque de Norwége achète à la mine de Kongsberg et de celle qu'elle cède à l'industrie, on peut dire que les fluctuations dans l'encaisse dépendent principalement de l'importation et de l'exportation de métaux précieux.

La Banque de Norwége est une institution privée, et la caisse de l'Etat n'a pas de réserves importantes en Or ou en Argent.

Je profite, &c.
(signé) *O. M. Björnstjerna.*

Monsieur Erskine,
Envoyé Extraordinaire et Ministre Plenipotentiaire
de Sa Majesté Britannique.

TABLE shewing the Quantities of SILVER Imported into, and Exported from, *Norway* during the last Ten Years.

YEARS.	TOTAL Value of Imports and Exports of Gold and Silver.		Value of Fine Silver produced from the Kongsberg Mines.	Amount of Coinage at the Kongsberg Mint.	Sums of Gold and Silver held by the Bank of Norway.	
	Imports.	Exports.			Silver.	Gold.
	£.	£.	£.	£.	£.	£.
1865	?	?	?	?	932,400	—
1866	35,450	22,650	31,100	?	715,500	—
1867	75,600	10,150	31,000	15,900	834,050	—
1868	67,500	180,000	34,100	19,550	668,550	—
1869	135,000	135,000	32,750	15,600	667,200	—
1870	78,750	33,750	31,900	3,000	697,800	—
1871	281,250	45,000	30,700	10,550	1,012,100	—
1872	180,000	22,500	32,950	5,400	1,042,300	119,300
1873	866,250	843,750	31,600	14,450	110,800	984,250
1874	182,250	1,550	29,800	10,350	79,850	1,094,700
1875	6,600	157,900	36,100	58,500	13,500	816,750
TOTALS	1,908,650 in 10 years.	1,452,250 in 10 years.	322,000 in 10 years.	153,300 in 9 years.		

Note.—This Table has been framed in Sterling from the original figures, by direction of the Chairman.

UNITED STATES.

— No. 22. —

(Commercial—No. 20.)

Sir *E. Thornton* to the Earl of Derby.

My Lord, Washington, 15 April 1876.

With reference to your Lordship's Despatch, No 14, of this series, and of the 25th ultimo, I have the honour to enclose a statement which, at my request, has been drawn up by Dr. Linderman, Director of the Mint, which answers most of the questions asked in the Despatch above mentioned, and which may, as I believe, be relied upon as certainly the best information which can be procured. *Report.*

With regard to the export of Silver from San Francisco to China, both as treasure, and carried away by Chinese labourers returning to their homes, Dr. Linderman, not being able to procure the required information here, was kind enough to telegraph to San Francisco, and I have now the honour to enclose copy of the answer which he has received. It appears to be impossible to ascertain how much Silver is carried away by Chinese labourers. *Tel. to Director of Mint, 13 April 1876.*

I also enclose four copies of Dr. Linderman's report for presentation to Congress. It contains a good deal of information about the production and coinage of the precious metals, a part of which may be interesting to the Select Committee of the House of Commons. The same may be the case with regard to the Act of Congress, of which I enclose three copies; it has been passed by both Houses, and is now before the President for approval and signature. It contains provisions for the issue of a certain amount of fractional Silver coins, and authorises the coinage of a dollar of a stated weight, making it a legal tender to a certain amount, and enacting that the trade-dollar shall be no longer legal tender. *Dated 20 Nov. 1875.*

The Secretary of the Treasury is also authorised to exchange such Silver dollars for United States notes, or for Silver bullion.

I have, &c.
(signed) *Edward Thornton*,

The Earl of Derby,
&c. &c. &c.

Enclosure 1, in Sir *E. Thornton's*, No. 20, Commercial.

Memorandum by Dr. *Linderman*.—Answer to Inquiries made by Sir *Edward Thornton*.

Production of Silver.

	Dollars.
The amount of Silver produced from the mines of the United States from 1849 to the close of the fiscal year ended 30 June 1875, is estimated to have been - -	253,000,000
The amount produced during the current fiscal year, will probably reach - - - - - - - - -	40,000,000
Making the production at the close of June 1876 - -	293,000,000

Exports of Silver.

During the three years ended with the fiscal year 1875, the Exports were :—

	Dollars.
Silver bullion - - - - - - - - -	72,203,106
Silver coin - - - - - - - - -	29,911,617
And for the eight months ended 29 February 1876, the exports were :—	
Silver bullion - - - - - - - - -	10,320,978
Silver coin - - - - - - - - -	5,964,965
Total from 1 July 1872 to 29 February 1876 - -	118,400,666

Of the Silver coin exported (35,876,582 dollars) 21,617,932 dollars consisted of foreign coins re-exported. The coinage of trade dollars for China, from 1st July 1872 to 29th February 1876, was 13,296,850 dollars.

Appendix, No. 21.

Exports of Silver coin and bullion for the fiscal years ended 30 June 1873, 1874, 1875, and for eight months of the current fiscal year:

PERIOD.	Silver Bullion.	Silver Coin.	TOTAL.
	Dollars.	*Dollars.*	*Dollars.*
Fiscal year ended 30 June 1873 - - -	27,814,861	11,906,998	39,721,859
„ „ 1874 - - -	27,178,496	10,063,203	37,241,699
„ „ 1875 - - -	17,209,749	7,941,416	25,151,165
Eight months ended 29 February 1876 - -	10,320,978	5,964,965	16,285,943
TOTAL - - - *Dols.*	82,524,084	35,876,582	118,400,666

Of the Silver coin exported, 21,617,932 dollars consisted of re-exports, or foreign coin exported from the United States.

COINAGE OF SILVER.

The total coinage of Silver from 1793 to the close of the fiscal year ended 30 June 1875, was as follows:

	Dollars. c.
Dollars - - - - - - - - - -	17,332,238
Coins of less denomination than the dollar - - -	143,863,615 90
The coinage for the nine months ended 31 March 1876, was:—	
Trade Dollars - - - - - - - - -	4,801,650
Subsidiary Silver coin - - - - - - - -	8,537,512 50
TOTAL Silver coinage to 31 March 1876 - - *Dols.*	174,535,016 40

Detailed statements of the coinage are presented on pages 52 to 55, Director's Report for 1873, and page 30, Report for 1875.

AMOUNT of SILVER COIN in use in the Country, and Amount in Stock.

The amount of Gold and Silver coin and bullion in the United States at the present time is estimated to be about 145,000,000 dollars, of which about 21,000,000 dollars consists of Silver coin and bullion.

Of this latter item, there are probably in circulation in the Pacific Coast States and Territories, and the State of Texas—

	Dols.
About - - - - - - - -	5,000,000 in Silver coin.
The United States Treasury holds -	13,326,257 „ „
And - - - - - - - - -	2,600,000 bullion.
TOTAL - - *Dols.*	20,926,257

the probable part which will be played by Silver, when specie payments are resumed.

It is expected that the substitution of subsidiary Silver coin for the fractional currency now outstanding will be commenced soon, and continued until the notes are all withdrawn.

The amount of fractional notes outstanding is about 40,000,000 dollars. The amount of Silver coin now on hand for the redemption of the fractional currency is 14,000,000 dollars. This coinage, it is probable, will hereafter amount to, say, 1,500,000 dollars per month.

After the redemption of the fractional notes, Silver coin can only be issued at par.

It is probable that, after redemption, about 75,000,000 dollars of Silver coin of limited tender will be used in the United States.

Silver, from present appearances, is not likely to be made a full legal tender in the United States. Its use, subordinate to Gold, is likely to be larger than in some other countries, and the fabrication of Silver coin will have to be sufficiently large to allow a portion of it to meet the demand for export to some of the South American States.

Special coinages of Silver, and the temporary relaxation of the rule requiring the issue of Silver in exchange for Gold coins at par, are probable.

H. R. Linderman.

Enclosure 2, in Sir *E. Thornton's* No. 20—Commercial.

COPY of TELEGRAM.

To Director, Mint, Washington, D.C.

San Francisco, 13 April 1876.

Silver exported to China from 1 July 1875 to 31 March ultimo, was 3,770,725 dollars, of which 435,580 was in bullion, and 2,642,145 in coin.

The exports for the fiscal year ending from 30 June 1875 were 870,007 dollars in bullion, and 4,363,920 dollars; total, 4,450,927 dollars. There are no means of forming even an approximate estimate of the amount carried home by Chinese passengers.

(signed) *O. H. La Grange,*
Superintendent Mint, U.S.

The Silver coin referred to consisted of United States trade dollars and Mexican dollars, probably three-fourths of the former.

H. R. Linderman.

Enclosure 3, in Sir *E. Thornton's* No. 20—Commercial, is the Report of Dr. Linderman, the Director of the United States Mint, Extracts from which will be found on pages 37–45.

Enclosure 4, in Sir *E. Thornton's* No. 20—Commercial.

44th CONGRESS, 1st Session.

H. R. 2450.

IN THE SENATE OF THE UNITED STATES.

MARCH 31, 1876.

Read twice and referred to the Committee on Finance.

APRIL 6, 1876.

Reported by Mr. SHERMAN with amendments, viz.: Omit the parts struck through, and insert the parts printed in *italics.*

AN ACT

To provide for a deficiency in the Printing and Engraving Bureau of the Treasury Department, and for the issue of Silver coin of the United States in place of fractional currency.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there be, and hereby is, appropriated, out of any money in the Treasury not otherwise appropriated, the sum of one hundred and sixty-three thousand dollars, to provide for engraving, printing, and other expenses of making and issuing United States notes.

SEC. 2. That the Secretary of the Treasury is hereby directed to issue Silver coins of the United States, of the denomination of ten, twenty, twenty-five, and fifty cents, of standard value, in redemption of an equal amount of fractional currency, whether the same be now in the Treasury awaiting redemption, or ~~whether~~ *whenever* it may be presented for redemption; and the Secretary of the Treasury may, under regulations of the Treasury Department, provide for such redemption and issue, by substitution, at the regular sub-treasuries and public depositories of the United States, until the whole amount of fractional currency outstanding shall be redeemed.

Appendix, No. 21.

SEC. 3. *That there shall be coined at the mints of the United States a Silver dollar of the weight of four hundred and twelve and eight-tenths grains Troy, of standard Silver, the emblems, devices, and inscriptions of which shall conform to those prescribed by law for the Gold and Silver coins of the United States, with such modifications thereof as may be necessary to render the said dollar readily distinguishable from the trade-dollar; and in the coinage and delivery thereof, the same deviations from standard weight and fineness shall be allowed as are prescribed by law for the trade-dollar;* ~~That the silver coins of the United States of the denomination of one dollar~~ *and the said dollar herein authorized* shall be a legal tender at ~~their~~ *its* nominal value for any amount not exceeding ~~fifty~~ *twenty* dollars in any one payment *except for customs-duties and interest on the public debt; and the trade-dollar shall not hereafter be a legal tender.* ~~And silver coins of the United States of denominations of less than one dollar shall be a legal tender at their nominal value for any amount not exceeding twenty five dollars in any one payment.~~

SEC. 4. *That the Secretary of the Treasury is hereby authorized to exchange the Silver dollars herein authorized for an equal amount of United States notes, which shall be retired and cancelled, and not be again replaced by other notes. And he is authorized to exchange such Silver coin at its nominal value for Silver bullion at its market value, to be ascertained and announced from time to time by the Director of the Mint, with the approval of the Secretary of the Treasury. And the United States notes and fractional currency redeemed under this Act shall be held to be a part of the sinking fund provided for by existing law.*

Passed the House of Representatives March 31, 1876.

Attest: *Geo. M. Adams,* Clerk.

— No. 23. —

Sir *Edward Thornton* to the Earl of *Derby.*

(No. 29—Commercial.)

My Lord, Washington, 28 May 1876.

WITH reference to my Despatch, No. 20 of this series, and of the 15th ultimo, I have the honour to enclose two copies of a report transmitted to the Senate by the Director of the Mint, showing the production of Gold and Silver in the United States, and in other countries of the world from 1845 to 1875 inclusive, which report may be useful to the Select Committee of the House of Commons.

I hope in a few days to be able to report the measures which seem likely to be sanctioned by Congress for the issue of more Silver coin in this country.

Should any publication be made hereafter by the Select Committee of the result of their inquiries, I shall be grateful for a copy of it for the use of Dr. Linderman, the Director of the Mint, who has been very courteous in assisting me to obtain information.

I have, &c.

The Right Hon. the Earl of Derby, &c. &c. &c.

(signed) *Edwd. Thornton.*

Enclosure in Sir *E. Thornton's*, No. 29, Commercial.

LETTER from the Secretary of the Treasury, transmitting, in answer to a Senate Resolution of 16 March 1876, a Report of the Director of the Mint, showing the Production of GOLD and SILVER in the *United States* and in other Countries of the World from 1845 to 1875, inclusive.

Sir, Treasury Department, 18 May 1876.

I HAVE the honour to acknowledge receipt of Senate Resolution of 16th March 1876, requesting me "to furnish the Senate with a statement of the annual product of Gold and Silver in the United States from the year 1845 to the year 1875, inclusive; also the annual import and export of Gold and Silver from the beginning of the Government to the present time; also a similar statement of the product of Gold and Silver in other parts of the world from the year 1845 to 1875, inclusive; also an estimate of the amount of Gold and Silver coin and bullion in the United States at the present time;" and that I state what amount of Gold will be in the Treasury after deducting the present demands thereon.

In reply, I inclose herewith a report of the Director of the Mint, under date of 29th March 1876, transmitting the following described statements, viz:

1. Production of Gold and Silver in the United States from 1845 to 1875.

2. Production in other countries for the same period.

3. The world's annual production since 1852, as reported by the Paris "Journal des Economistes;" and,

4. An estimate of the aggregate production in other countries than the United States, prepared by the Commissioner of Mining Statistics.

I also inclose a report of the Chief of the Bureau of Statistics, accompanied by the following described statements, viz:

A. Production of Gold and Silver in the United States from 1848 to 1875.

B. Tables of imports and exports.

C. The world's estimated production since 1848.

The amount of Gold in the Treasury after deducting demands thereon, as shewn by the last public debt statement, 29th April 1876, was as follows:

				Dollars. cts.
Coin in the Treasury				77,605,428 81
			Dollars. cts.	
Less interest due and unpaid			4,100,706 76	
		Dollars. cts.		
Less principal of matured debt		8,414,270 26		
Less interest on matured debt		284,731 36		
Total		8,699,001 62		
Of which amount there is payable in currency,	*Dollars. cts.*			
principal	638,765 00			
Interest	87,272 69			
		726,037 69		
			7,972,963 93	
Less old demand notes			68,162 50	
Less coin certificates			27,975,700 00	
Less unclaimed interest			20,444 84	
Less Silver coin and bullion			17,776,693 29	
				57,914,671 32
Leaving amount of Gold, less demands thereon, 29 April 1876				19,690,757 49

Hon. T. W. Ferry,
President *pro tem.* United States Senate.

Very respectfully,
(signed) *B. H. Bristow*, Secretary.

Appendix, No. 21.

Treasury Department, Office of the Director of the Mint,
29 March 1876.

Sir,

I HAVE the honour to acknowledge the receipt of your communication of the 18th instant, inclosing an extract copy of Senate Resolution of the 16th instant, asking for certain statistics and estimates of the accumulation, production, exportation, &c., of Gold and Silver.

I present herewith a statement showing the estimated annual product of the mines of the United States from 1845 to 1875, inclusive. The returns are based on official information, and while the yearly estimates may not be strictly accurate, it is believed the totals are approximately correct.

So much of the resolution as relates to the precious metal production in other parts of the world, from 1845 to 1875, inclusive, was referred to the Commissioner of Mining Statistics, and a copy of his answer, together with a printed report of the "World's product of Silver," is transmitted herewith.

I also inclose a statement from the Paris "Journal des Economistes," shewing the world's annual production of Gold and Silver since 1852, and which is claimed to be correct by that journal and the London "Daily News."

The amount of Gold and Silver coin and bullion in the United States at the present time is estimated to be about $145,000,000, of which about $20,000,000 consists of Silver coin and bullion.

I have, &c.

Hon. B. H. Bristow,
Secretary of the Treasury.

(signed) *H. R. Linderman*, Director.

No. 1.—ESTIMATE of GOLD and SILVER produced in the *United States*, from 1845 to 1875 inclusive.

DATE.	ESTIMATED PRODUCT.		
	Gold.	Silver.	TOTAL.
	Dollars.	From 1849 to 1858.* *Dollars.*	*Dollars.*
1845	1,008,327	-	1,008,327
1846	1,139,357	-	1,139,357
1847	889,085	-	889,085
1848	10,000,000	-	10,000,000
1849	40,000,000	-	40,000,000
1850	50,000,000	-	50,000,000
1851	55,000,000	-	55,000,000
1852	60,000,000	-	60,000,000
1853	65,000,000	-	65,000,000
1854	60,000,000	-	60,000,000
1855	55,000,000	-	55,000,000
1856	55,000,000	-	55,000,000
1857	55,000,000	-	55,000,000
1858	50,000,000	500,000	50,500,000
1859	50,000,000	100,000	50,100,000
1860	46,000,000	150,000	46,150,000
1861	43,000,000	2,000,000	45,000,000
1862	39,200,000	4,500,000	43,700,000
1863	40,000,000	8,500,000	48,500 000
1864	46,100,000	11,000,000	57,100 000
1865	53,225,000	11,250,000	64,475,000
1866	53,500,000	10,000,000	63,500,000
1867	51,725,000	13,500,000	65,225,000
1868	48,000,000	12,000,000	60,000,000
1869	49,500,000	12,000,000	61,500,000
1870	50,000,000	16,000,000	66,000,000
1871	43,500,000	23,000,000	66,500,000
1872	36,000,000	28,750,000	64,750,000
1873	36,000,000	35,750,000	71,750,000
1874	40,000,000	32,000,000	72,000,000
1875	40,000,000	32,000,000	72,000,000
TOTAL	1,323,786,769	253,000,000	1,578,786,769

* The annual Silver product from 1849 to 1858 has been estimated at 50,000 dollars.

No. 2.—The World's Product of Silver.*

Appendix, No. 21.

Recent literary labours have led me to the compilation of the following Tables and Estimates, which may possess interest for my Colleagues in the Institute, and which are here submitted without comment.

Various Estimates of the World's Product in Silver.

COUNTRY.	Estimate of J. Arthur Phillips, for 1800.	Estimate of Birkmyre, for 1846.	Estimate of J. Arthur Phillips, for 1850.	Estimate of Birkmyre, for 1850.	Estimate of J. D. Whitney, for 1854.	Estimate of J. Arthur Phillips, for 1865.	Estimate of W. P. Blake, for 1867.
	Weight.	Value.	Weight.	Value.	Value.	Weight.	Value.
	Lbs. troy.	*£.*	*Lbs. troy.*	*£.*	*Dols.*	*Lbs. troy.*	*Dols.*
Russian Empire	58,150	167,831	65,000	171,817	928,000	58,000	700,000
Scandinavia		32,346	20,400	35,607	328,000	15,000	
Great Britain		109,989	48,500	160,000	1,120,000	60,500	
Hartz		138,022	31,500	138,022	480,000	28,000	
Prussia			21,200		480,000	68,000	
Saxony		198,200	63,600	- -	960,000	80,000	8,600,000
Other German States	141,000	- -	2,500	198,200	48,000	2,500	
Austria		282,654	87,000	286,971	1,440,000	92,000	
France		- -	5,000	- -	80,000	18,000	
Italy		7,444	- -	7,444	- -	25,000	
Spain		227,499	125,000	440,210	2,000,000	110,000	
Australia	- -	- -	10,000	- -	128,000	9,500	20,000
British America							
Chili	183,000	297,029	238,500	297,029	4,000,000	299,000	
Bolivia	271,300	460,191	130,000	460,191	2,080,000	136,000	
Peru	401,850	1,000,583	303,150	1,000,583	4,800,000	299,000	10,000,000
New Granada	5,000	42,929	13,000	42,929	208,000	15,000	
Brazil	1,200	2,003	675	2,227	11,200	1,500	
Mexico	1,440,500	3,457,020	1,650,000	5,383,333	28,000,000	1,700,000	19,000,000
United States	- -	1,864	17,400	73,532	852,000	1,000,000	15,500,000
East Indies	- -	56,265	- -	56,265	—	—	—
Africa	- -	1,056	- -	1,056	—	—	—
Various other Countries	- -	33,000	- -	33,000	—	—	—
Total	2,337,300	6,515,925	2,827,425	8,788,416	47,443,200	4,017,000	53,820,000
Approximate Value $.	36,250,000	31,537,000	43,853,000	42,536,000	47,443,200	62,303,000	53,820,000

The following estimate of the world's product of Silver in 1873 is based upon returns for Germany, Austria, France, Great Britain, Spain, and the United States, and for other countries, upon the most recent available accounts: Great Britain and Colonies, 1,000,000 dollars; Sweden and Norway, 250,000 dollars; Russia, 500,000 dollars; Austro-Hungarian Monarchy, 1,600,000 dollars; German Empire, 3,000,000 dollars; France, 2,000,000 dollars; Spain, 2,000,000 dollars; Italy (Sardinia), 500,000 dollars; Mexico, 20,000,000 dollars; Central and South America, 8,000,000 dollars; Canada, 900,000 dollars; United States, 36,500,000 dollars; total, 76,250,000 dollars. According to Humboldt and Danson, the value of Silver produced in Mexico and Peru from 1492 to 1803 was 4,152,650,000 dollars. The production in Europe during the same period was about 200,000,000 dollars. For the period from 1804 to 1848 Danson gives 1,244,380,794 dollars as the production of Mexico and South America, that of Europe and Asiatic Russia for the same period having been about 325,000,000 dollars. For the period from 1848 to 1868, Professor W. P. Blake, in his "Report on the Production of the Precious Metals," gives the following estimate of the Silver Product: United States, 73,000,000 dollars; Mexico, 380,000,000 dollars; South America, 200,000,000 dollars; Australia, 20,000 dollars; Europe and Asiatic Russia, 160,380,000 dollars; total, 813,400,000 dollars. From 1868 to 1875 the product of Silver may be approximately estimated at 163,000,000 dollars for the United States, 140,000,000 dollars for Mexico, 56,000,000 dollars for South America, and 63,000,000 dollars for the rest of the world. (None of these estimates include the produce of Japan, China, and Central Asia, of which nothing is known.) We have, then, as the grand total of the Silver product from the discovery of America to the present time, 7,150,000,000 dollars.

* By R. W. Raymond.

Appendix, No. 21.

No. 3.—The World's Annual Production of Gold and Silver since 1852.

[From the "Journal des Economistes."]

DATE.	Estimated Product.		
	Gold.	Silver.	Total.
	Dollars.	*Dollars.*	*Dollars.*
1852	182,500,000	40,500,000	223,000,000
1853	155,000,000	40,500,000	195,500,000
1854	127,000,000	40,500,000	167,500,000
1855	135,000,000	40,500,000	175,500,000
1856	147,500,000	40,500,000	188,000,000
1857	133,000,000	40,500,000	173,500,000
1858	124,500,000	40,500,000	165,000,000
1859	124,500,000	40,500,000	165,000,000
1860	119,000,000	40,500,000	159,500,000
1861	114,000,000	42,500,000	156,500,000
1862	107,500,000	45,000,000	152,500,000
1863	107,000,000	49,000,000	156,000,000
1864	113,000,000	51,500,000	164,500,000
1865	120,000,000	52,000,000	172,000,000
1866	121,000,000	50,500,000	171,500,000
1867	116,000,000	54,000,000	170,000,000
1868	120,000,000	50,000,000	170,000,000
1869	121,000,000	47,500,000	168,500,000
1870	116,000,000	51,500,000	167,500,000
1871	116,500,000	61,000,000	177,500,000
1872	101,500,000	65,000,000	166,500,000
1873	103,500,000	70,000,000	173,500,000
1874	90,500,000	71,500,000	162,000,000
1875	97,500,000	62,000,000	159,500,000
TOTAL	2,913,000,000	1,187,500,000	4,100,500,000

No. 4.—ESTIMATE of the Aggregate Production of GOLD and SILVER in other Countries than the *United States* from 1845 to 1875, inclusive.

Dear Sir, New York, 24 March 1876.

IN reply to your favour of the 20th instant, I have to say that I find it impracticable to present a statement of the product of Gold and Silver by years for the period named by the Senate Resolution in other countries than the United States.

You will find such an estimate for the United States on page 543 of my report of 1874. I enclose a printed slip containing such information as I was able to get on the Silver product for a recent communication to the American Institnte of Mining Engineers.

I think that the following estimate of the aggregate production of other countries than our own from 1845 to 1875 will be found reasonably accurate. It might be improved by inserting the actual official totals from Victoria, New Zealand, and New South Wales, which, however, I do not have at hand. I have an impression that some of the circulars of Mr. Young's Bureau of Statistics have contained them.

ESTIMATE, 1845 to 1875.

	Silver.	Gold.
	Dollars.	*Dollars.*
Mexico	538,000,000	230,000,000
South America	282,000,000	
Europe, &c.	241,000,000	41,000,000
Russia		495,000,000
Asia (non-Russian)	-	180,000,000
Australia (from 1851)	-	1,105,000,000
British Columbia (from 1855)	-	30,000,000
Nova Scotia (from 1861)	-	4,800,000
Africa	-	30,000,000
	1,061,000,000	2,115,800,000

Yours respectfully,
(signed) *R. W. Raymond*,
United States Commissioner, Mining Statistics.

Hon. H. R. Linderman,
Director of the Mint, Washington, D. C.

Reports upon the Production of Gold and Silver.

Treasury Department, Bureau of Statistics,
Sir, Washington, D. C., 12 April 1876.

In response to the Senate Resolution referred to me, requiring "a statement of the product of Gold and Silver in the United States from the year 1845 to the year 1875, inclusive; also, the annual import and export of Gold and Silver from the beginning of the Government to the present time; also, a similar statement of the product of Gold and Silver in other parts of the world from the year 1845 to the year 1875, inclusive; also, an estimate of the amount of Gold and Silver coin and bullion in the United States at the present time;" I have the honour to submit the following statement and the accompanying tables.

There was no product of Gold in the United States in considerable quantities until the year 1848, in which year were discovered and opened the new Gold fields of California; and no considerable Silver production prior to the year 1859.

In the year 1799, however, Gold deposits were discovered in the State of North Carolina, and Gold has been obtained in small quantities in that State and in other localities along the Appalachian range, in the States of Virginia, South Carolina, Georgia, and Alabama, and in still smaller quantities in the States of Pennsylvania, Vermont, New Hampshire, and Maryland.

Gold from this source was first taken to the Mint in 1804, and from that time to 1848 the aggregate product is estimated by Mr. R. W. Raymond, the Commissioner of Mining Statistics, at 14,440,000 dollars, and the aggregate product to 1875, at 25,000,000 dollars; the product of the past 28 years being about 70,000,000 dollars.

A table is herewith transmited (marked "A") shewing, by years, the estimated production of Gold in the United States during the 27 years from 1849 to 1875, both inclusive; also, by years, the estimated product of Silver in the United States during the 17 years from 1859 to 1875, both inclusive; the aggregate in the former case being 1,351,600,000 dollars, and in the latter, 265,550,000 dollars, the total bullion product being 1,617,150,000 dollars. These estimates are by Mr. E. B. Elliott, chief clerk of the Bureau of Statistics. A.

A table (marked "B") is also transmitted herewith, which shews, by years, the imports into and the exports from the United States from the earliest years in which these facts are distinguished in the official reports to the close of the fiscal year ended 30th June 1875. B.

In the official returns and statements of imports and of foreign exports prior to the year 1821, the precious metals were not distinguished from articles of merchandise. In the returns for 1821 and subsequent years, however, the imports of precious metals were not only separated from those of merchandise, but bullion is distinguished from coin. Gold is not distinguished from Silver in the statements of imports and of foreign exports prior to the year 1825; but, commencing with that year and up to the present time, they have been given separately. In the statements of domestic exports, the precious metals are first distinguished from other commodities in the fiscal year ended 30th September 1826; but coin is not there distinguished from bullion, nor Gold from Silver.

In the fiscal year ended 30th June 1855, the exports of bullion produced in the United States are first distinguished from those of coin, and in the fiscal year ended 30 June 1864, exports of Silver are also distinguished from those of Gold, which distinction has been continued to the present time.

According to these tables, then, the value of the imports of the precious metals in the 55 fiscal years from 30th September 1820 to 30th June 1875, was 635,257,227 dollars. From inspection of the tables, it will be seen that the excess of the exports over the imports of the precious metals during the 27 fiscal years from 30th June 1848 to 30th June 1875, is 1,211,480,000 dollars, which, subtracted from the product above given, to wit, 1,167,150,000 dollars for the same period, leaves 405,670,000 dollars as the net increase of our stock of precious metals. The stock of precious metals in the United States in 1848 may be estimated at 4,000,000 dollars. Assuming an expenditure of 150,000,000 dollars in the arts and manufactures during this period of 27 years, and also an unregistered excess of exports of coin and bullion of 35,000,000 dollars from the whole country during this period of 27 years, leaves 279,670,000 dollars as the present stock of precious metals in the United States for monetary purposes, of which it is roughly estimated that about one-fourth, or 70,000,000 dollars is Silver, and the remaining three-fourths, about 210,000,000 dollars, Gold.

Another table (marked "C") is also transmitted, shewing, by periods of years, the production of Gold and Silver in the world since 1848, based on information derived from the most authentic sources attainable. According to the tables herewith printed, the aggregate Gold production of the period has been 2,761,700,000 dollars, and the aggregate Silver production 1,573,900,000 dollars, making the aggregate production of the precious metals for the 27 years, 4,335,600,000 dollars. C.

The present stock of precious metals in use in the world in coinage and the Arts has been estimated by trustworthy investigators at from eleven thousand to thirteen thousand million dollars, say a mean of twelve thousand million dollars.

Respectfully yours,
(signed) *Edward Young*,
Chief of Bureau.

Hon. C. F. Conant,
Assistant Secretary of the Treasury,
Washington, D. C.

Appendix, No. 21.

A.—PRODUCTION of GOLD and SILVER in the *United States*, from the Discovery of the Mines to the present Time; that is, for Gold from 1849 and for Silver from 1859, each respectively, to 1875, inclusive.

YEARS AND EPOCHS.	GOLD.	SILVER.	GOLD AND SILVER.
	Million dollars.	*Million dollars.*	*Million dollars.*
1849	13·0	-	13·0
1850	32·4	-	32·4
1851	47·6	-	47·6
1848—1851. (3.)	94·0	-	94·0
	93.0	-	*93·0*
Annual Average	31·33	-	31·33
	31·0	-	*31·0*
1852	60·5	-	60·5
1853	68·8	-	68·8
1854	74·7	-	74·7
1855	74·0	-	74·0
1856	72·8	-	72·8
1852—1856. (5.)	350·8	-	350·8
Annual Average	70·16	-	70·16
1857	67·1	-	67·1
1858	64·8	-	64·8
1857—1858. (2.)	131·9	-	131·9
Annual Average	65·95	-	65·95
1859	61·8	0·07	61·87
1860	56·6	0·13	56·73
1861	52·5	2·50	55·00
1862	49·6	6·00	55·60
1863	47·7	9·60	57·30
1859—1863. (5.)	268·3	18·30	286·60
	268·2	-	*286·50*
Annual Average	53·66	3·66	57·32
	53·64	-	*57·30*
1864	45·3	10·9	56·2
1865	40·9	12·3	53·2
1866	39·0	13·8	52·8
1867	39·6	15·3	54·9
1868	42·6	17·0	59·6
1864—1868. (5.)	207·4	69·3	276·7
Annual Average	41·48	13·86	55·34
1869	43·0	18·7	61·7
1870	43·1	20·1	63·2
1871	43·2	22·0	65·2
1872	43·0	24·4	67·4
1873	42·7	27·3	70·0
1869—1873. (5.)	215·0	112·5	327·5
Annual Average	43·0	22·5	65·5
1874	42·3	31·1	73·4
1875	41·7	34·3	76·0
1874—1875. (2.)	84·0	65·4	149·4
Annual Average	42·0	32·7	74·7
Entire period	1,351·6	265·55	1,617·15
	1,350·3	*265·5*	*4,615·8*
Annual Average	*50·06	† 15·62	* 59·89
	50·01	-	*59·84*

* Average of 27 years, 1849—1875.

† Average of 17 years, 1859—1875.

Note.—There appear to be inaccuracies in several of the original figures. *Revised figures* have been inserted *in italics.*

B.—Imports and Exports.

No. 1.—Statement exhibiting the Imports of Gold and Silver into the United States from 1st October 1820 to 30th June 1875.

CAL YEARS.	GOLD.			SILVER.			GOLD AND SILVER.		
	Bullion.	Coin.	Bullion and Coin.	Bullion.	Coin.	Bullion and Coin.	Bullion.	Coin.	Bullion and Coin.
d Sept. 30:	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1821	Not stated	Not stated	Not stated	Not stated	Not stated	Not stated	84,890	7,980,000	8,064,890
1822	ditto	ditto	ditto	ditto	ditto	ditto	411,444	2,958,402	3,369,846
1823	ditto	ditto	ditto	ditto	ditto	ditto	230,771	4,867,125	5,097,896
1824	ditto	ditto	ditto	ditto	ditto	ditto	331,392	8,048,443	8,379,835
1825	151,020	378,257	529,277	368,827	5,252,661	5,621,488	519,847	5,630,918	6,150,765
1826	116,194	562,546	678,740	462,087	5,740,139	6,202,226	578,281	6,302,685	6,880,966
1827	91,049	1,019,399	1,110,448	422,605	6,618,077	7,040,682	513,654	7,637,476	8,151,130
1828	69,650	738,570	808,220	465,063	6,216,458	6,681,521	534,713	6,955,028	7,489,741
1829	110,638	706,028	816,666	837,107	5,749,839	6,586,946	947,745	6,455,867	7,403,612
1830	115,267	705,879	821,146	1,049,343	6,285,475	7,334,818	1,164,610	6,991,354	8,155,964
1831	166,191	765,838	932,029	686,283	5,687,633	6,373,916	852,474	6,453,471	7,305,945
1832	102,021	614,665	716,686	736,711	4,454,107	5,190,818	838,732	5,068,772	5,907,504
1833	48,267	563,585	611,852	297,840	6,160,676	6,458,516	346,107	6,724,261	7,070,368
1834	293,665	3,472,507	3,766,172	514,417	13,631,043	14,145,460	808,082	17,103,550	17,911,632
1835	655,457	1,669,739	2,325,196	765,283	10,040,968	10,806,251	1,420,740	11,710,707	13,131,447
1836	1,913,137	5,318,725	7,231,862	318,350	5,850,669	6,169,019	2,231,487	11,169,394	13,400,881
1837	536,549	1,895,265	2,431,814	594,291	7,490,309	8,084,600	1,130,840	9,385,574	10,516,414
1838	230,694	11,444,189	11,674,883	392,843	5,679,390	6,072,233	623,537	17,123,579	17,747,116
1839	86,540	1,078,040	1,164,580	149,680	4,280,916	4,430,596	236,220	5,358,956	5,595,176
1840	273,127	2,812,030	3,085,157	469,434	5,328,222	5,797,656	742,561	8,140,252	8,882,813
1841	137,149	1,131,700	1,268,849	274,225	3,444,959	3,719,184	411,374	4,576,659	4,988,033
1842	56,365	700,929	757,294	39,458	3,290,264	3,329,722	95,823	3,991,193	4,087,016
ed June 30:									
1843	100,835	16,965,602	17,066,437	142,199	5,111,699	5,253,898	243,034	22,077,301	22,320,335
1844	83,150	1,530,154	1,613,304	208,694	4,008,431	4,217,125	291,844	5,538,585	5,830,429
1845	66,103	752,747	818,850	41,275	3,210,117	3,251,392	107,378	3,962,864	4,070,242
1846	14,150	896,263	910,413	33,579	2,833,740	2,867,319	47,729	3,730,003	3,777,732
1847	151,749	21,423,182	21,574,931	71,923	2,474,435	2,546,358	223,672	23,897,617	24,121,289
1848	56,882	3,351,873	3,408,755	392,939	2,558,590	2,951,529	449,821	5,910,463	6,360,284
1849	297,570	3,771,077	4,068,647	154,688	2,427,905	2,582,593	452,258	6,198,982	6,651,240
1850	175,984	1,600,722	1,776,706	26,316	2,825,770	2,852,086	202,300	4,426,492	4,628,792
1851	196,446	3,372,644	3,569,090	48,471	1,835,942	1,884,413	244,917	5,208,586	5,453,503
1852	608,257	3,049,802	3,658,059	8,914	1,838,071	1,846,985	617,171	4,887,873	5,505,044
1853	465,044	1,962,312	2,427,356	31,636	1,742,390	1,774,026	496,680	3,704,702	4,201,382
1854	1,720,711	1,311,253	3,031,964	89,633	3,636,990	3,726,623	1,810,344	4,948,243	6,758,587
1855	404,217	688,585	1,092,802	139,743	2,427,267	2,567,010	543,960	3,115,852	3,659,812
1856	114,289	876,016	990,305	103,951	3,113,376	3,217,327	218,240	3,989,392	4,207,632
1857	151,585	6,503,051	6,654,636	335,114	5,472,049	5,807,163	486,699	11,975,100	12,461,799
1858	2,286,099	9,279,969	11,566,068	408,879	7,299,549	7,708,428	2,694,978	16,579,518	19,274,496
1859	741,608	1,383,789	2,125,397	323,478	4,985,914	5,309,392	1,065,086	6,369,703	7,434,789
1860	493,187	2,015,599	2,508,786	499,943	5,541,406	6,041,349	993,130	7,557,005	8,550,135
1861	3,343,282	38,948,648	42,291,930	1,014,893	3,032,788	4,047,681	4,358,175	41,981,436	46,339,611
1862	1,409,728	12,497,283	13,907,011	249,608	2,258,433	2,508,041	1,659,336	14,755,716	16,415,052
1863	1,879,222	3,651,316	5,530,538	49,536	4,004,031	4,053,567	1,928,758	7,655,347	9,584,105
1864	2,512,635	8,664,134	11,176,769	66,716	1,872,127	1,938,843	2,579,351	10,536,261	13,115,612
1865	1,392,760	5,105,468	6,498,228	1,476,838	1,835,006	3,311,844	2,869,598	6,940,474	9,810,072
1866	972,769	7,223,492	8,196,261	43,654	2,460,177	2,503,831	1,016,423	9,683,669	10,700,092
1867	1,971,645	15,053,221	17,024,866	61,998	4,983,611	5,045,609	2,033,643	20,036,832	22,070,475
1868	1,784,536	6,952,907	8,737,443	90,410	5,360,515	5,450,925	1,874,946	12,313,422	14,188,368
1869	890,930	13,241,638	14,132,568	55,142	5,620,166	5,675,308	946,072	18,861,804	19,807,876
1870	680,760	11,376,190	12,056,950	162,432	14,199,797	14,362,229	843,192	25,575,987	26,419,179
1871	1,177,387	5,706,174	6,883,561	105,836	14,280,627	14,386,463	1,283,223	19,986,801	21,270,024
1872	1,372,207	7,345,251	8,717,458	380,909	4,645,322	5,026,231	1,753,116	11,990,573	13,743,689
1873	1,542,593	7,139,854	8,682,447	471,715	12,326,775	12,798,490	2,014,308	19,466,629	21,480,937
1874	1,614,669	17,888,468	19,503,137	837,683	8,114,086	8,951,769	2,452,352	26,002,554	28,454,906
1875	1,581,638	12,115,155	13,696,793	1,295,754	5,908,170	7,203,924	2,877,392	18,023,325	20,900,717
OTAL	*37,407,607	*289,221,780	*326,629,337	*18,268,346	*265,447,077	*283,715,423	†56,734,450	†578,522,777	†635,257,227
verage per Year	733,483	5,671,014	6,404,497	358,203	5,204,845	5,563,048	1,031,535	10,518,596	11,550,131

* For 51 years, 1825–1875. † For 55 years, 1821–1875.

Note.—Prior to 1st October 1842 the Customs' year closed with the 30th day of September, since that date and down to the present time the Customs' ear closes on the 30th day of June, the year ended 30th June 1843, consisting of but nine months.

No. 2.—STATEMENT exhibiting the Foreign EXPORTS (or Exports of Foreign Coin and Bullion previously imported of GOLD and SILVER from the *United States* from 1st October 1820 to 30th June 1875, inclusive.

FISCAL YEARS.	GOLD.			SILVER.			GOLD AND SILVER.		
	Bullion.	Coin.	Bullion and Coin.	Bullion.	Coin.	Bullion and Coin.	Bullion.	Coin.	Bullion and Coin.
Ended September 30:	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1821	Not stated	Not stated	Not stated	Not stated	Not stated	Not stated	90	10,477,969	10,468,05
1822	ditto	ditto	ditto	ditto	ditto	ditto	28,248	10,781,932	10,810,18
1823	ditto	ditto	ditto	ditto	ditto	ditto	1,800	6,371,187	6,372,98
1824	ditto	ditto	ditto	ditto	ditto	ditto	- -	7,014,552	7,014,55
1825	- -	315,672	315,672	10,849	8,470,534	8,481,383	10,849	8,786,206	8,797,05
1826	15,648	434,555	450,203	25,090	3,623,385	3,648,475	40,738	4,057,940	4,098,67
1827	8,611	820,304	828,915	3,236	6,139,155	6,142,391	11,847	6,959,459	6,971,30
1828	13,663	928,384	942,047	42,588	6,565,804	6,608,392	56,251	7,494,188	7,550,43
1829	25,270	935,102	960,372	213,821	3,136,941	3,350,762	239,091	4,072,043	4,311,13
1830	10,637	474,876	485,513	24,154	731,955	756,109	34,791	1,206,831	1,241,62
1831	21,690	899,365	921,055	203,572	5,831,830	6,035,402	225,262	6,731,195	6,956,45
1832	7,615	630,850	638,465	255,517	3,351,417	3,606,934	263,132	3,982,267	4,245,39
1833	26,773	495,890	522,663	- -	1,722,196	1,722,196	26,773	2,218,086	2,244,85
1834	12,681	276,999	289,680	2,591	1,383,987	1,386,578	15,272	1,660,986	1,676,25
1835	- -	625,679	625,679	- -	5,122,495	5,122,495	- -	5,748,174	5,748,17
1836	25,777	275,940	301,717	52,695	3,624,186	3,676,881	78,472	3,900,126	3,978,59
1837	101,563	1,828,653	1,930,216	5,600	2,756,914	2,762,514	107,163	4,585,567	4,692,73
1838	- -	740,263	740,263	2,500	2,292,342	2,294,842	2,500	3,032,605	3,035,16
1839	77,660	2,814,650	2,892,310	8,040	3,968,035	3,976,075	85,700	6,782,685	6,868,38
1840	- -	1,468,300	1,468,300	47,689	4,665,952	4,713,641	47,689	6,134,252	6,181,94
1841	166,086	677,297	843,383	63,011	6,381,452	6,444,463	229,097	7,058,749	7,287,84
1842	- -	1,134,002	1,134,002	- -	2,508,783	2,508,783	- -	3,642,785	3,642,78
Ended June 30:									
1843	450	299,808	300,258	- -	1,113,104	1,113,104	450	1,412,912	1,413,36
1844	- -	1,183,116	1,183,116	- -	4,087,693	4,087,693	- -	5,270,809	5,270,80
1845	- -	2,210,979	2,210,979	- -	5,551,070	5,551,070	- -	7,762,049	7,762,04
1846	- -	1,629,348	1,629,348	- -	1,852,069	1,852,069	- -	3,481,417	3,481,41
1847	- -	975,301	975,301	- -	869,103	869,103	- -	1,844,404	1,844,40
1848	- -	8,370,785	8,370,785	174,971	4,595,448	4,770,419	174,971	12,966,233	13,141,20
1849	6,500	1,008,459	1,015,359	- -	3,432,415	3,432,415	6,500	4,441,274	4,447,77
1850	2,160	2,511,788	2,513,948	- -	2,962,367	2,962,367	2,160	5,474,155	5,476,31
1851	1,528	4,758,805	4,760,333	4,534	6,631,305	6,635,839	6,062	11,390,110	11,396,17
1852	9,280	2,626,862	2,636,142	- -	2,600,156	2,600,156	9,280	5,227,018	5,236,29
1853	10,550	1,883,773	1,894,323	- -	2,044,017	2,044,017	10,550	3,927,790	3,938,34
1854	53,001	2,354,689	2,407,690	8,283	718,757	727,040	61,284	3,073,446	3,134,73
1855	2,995	1,148,802	1,151,797	- -	1,138,128	1,138,128	2,995	2,286,930	2,289,92
1856	- -	852,698	852,698	18,378	726,130	744,508	18,378	1,578,828	1,597,20
1857	8,000	5,146,301	5,154,301	13,221	3,891,048	3,904,269	21,221	9,037,349	9,058,57
1858	148,989	7,446,569	7,595,558	94,559	2,535,784	2,630,343	243,548	9,982,353	10,225,90
1859	30,464	3,575,284	3,605,748	82,652	2,696,706	2,779,358	113,116	6,271,990	6,385,10
1860	51,181	1,448,007	1,499,188	35,093	8,065,107	8,100,200	86,274	9,512,114	9,599,38
1861	6,700	3,617,403	3,624,103	42,826	2,324,281	2,367,107	49,526	5,941,684	5,991,21
1862	- -	4,395,252	4,395,252	40,092	1,407,645	1,447,737	40,092	5,802,897	5,842,98
1863	- -	6,169,276	6,169,276	550	1,993,223	1,993,773	550	8,162,499	8,163,04
1864	33,449	3,493,561	3,527,010	1,145	1,394,824	1,395,969	34,594	4,888,385	4,922,97
1865	1,900	1,820,427	1,822,327	- -	1,202,775	1,202,775	1,900	3,023,202	3,025,10
1866	32,854	1,036,989	1,069,843	75,325	2,255,529	2,330,854	108,179	3,292,518	3,400,69
1867	- -	2,796,951	2,796,951	18,939	3,076,286	3,095,225	18,939	5,873,237	5,892,17
1868	94,508	4,070,678	4,165,186	169,068	5,703,873	5,872,941	263,576	9,774,551	10,038,12
1869	19,146	7,541,576	7,560,722	233,174	6,428,518	6,661,692	252,320	13,970,094	14,222,41
1870	39,778	5,015,575	5,055,353	2,682	9,213,829	9,216,511	42,460	14,229,404	14,271,86
1871	- -	2,104,530	2,104,530	- -	11,934,099	11,934,099	- -	14,038,629	14,038,62
1872	4,780	1,166,478	1,171,258	164,038	5,744,003	5,908,036	168,813	6,910,481	7,079,29
1873	- -	384,677	384,677	85,795	10,232,556	10,318,351	85,795	10,617,233	10,703,02
1874	- -	1,396,934	1,396,934	25,000	5,508,785	5,533,785	25,009	6,905,719	6,930,71
1875	3,696	5,433,736	5,437,432	11,835	2,825,746	2,837,581	15,531	8,259,482	8,275,01
TOTAL	*1,075,583	*115,652,598	*116,728,181	*2,263,108	*199,033,742	*201,296,850	†3,368,829	†349,331,980	†352,700,80
Average per Year	21,090	2,267,698	2,288,788	44,375	3,902,622	3,946,997	61,252	6,351,490	6,412,74

* For 51 years, 1825–1875.

† For 55 years, 1821–1875.

No. 3.—STATEMENT exhibiting the Domestic EXPORTS of GOLD and SILVER from the *United States* from 1st October 1820 to 30th June 1875, inclusive.

FISCAL YEARS.	GOLD.			SILVER.			GOLD AND SILVER.		
	Bullion.	Coin.	Bullion and Coin.	Bullion.	Coin.	Bullion and Coin.	Bullion.	Coin.	Bullion and Coin.
ended Sept. 30:	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1821	Not stated	Not stated	Not stated	Not stated	Not stated	Not stated	Not stated	Not stated	Not stated.
1822	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto.
1823	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto.
1824	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto.
1825	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto.
1826	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	605,855
1827	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	1,043,574
1828	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	693,037
1829	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	612,886
1830	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	837,151
1831	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	2,058,474
1832	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	1,410,941
1833	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	366,842
1834	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	400,500
1835	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	729,601
1836	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	345,738
1837	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	1,283,519
1838	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	472,941
1839	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	1,908,358
1840	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	2,235,073
1841	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	2,746,486
1842	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	1,170,754
ended June 30:									
1843	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	107,429
1844	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	183,405
1845	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	844,446
1846	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	423,850
1847	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	62,620
1848	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	2,700,412
1849	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	956,874
1850	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	2,046,679
1851	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	18,069,580
1852	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	37,437,837
1853	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	23,548,535
1854	ditto	ditto	ditto	ditto	ditto	ditto	ditto	ditto	38,062,570
1855	ditto	ditto	ditto	ditto	ditto	ditto	34,114,995	19,842,423	53,957,418
1856	ditto	ditto	ditto	ditto	ditto	ditto	28,689,946	15,458,333	44,148,279
1857	ditto	ditto	ditto	ditto	ditto	ditto	31,300,980	28,777,372	60,078,352
1858	ditto	ditto	ditto	ditto	ditto	ditto	22,993,206	19,474,040	42,467,246
1859	ditto	ditto	ditto	ditto	ditto	ditto	33,329,863	24,172,442	57,502,305
1860	ditto	ditto	ditto	ditto	ditto	ditto	30,913,173	26,033,678	56,946,851
1861	ditto	ditto	ditto	ditto	ditto	ditto	13,311,280	10,488,590	23,799,870
1862	ditto	ditto	ditto	ditto	ditto	ditto	13,267,739	17,776,912	31,044,651
1863	ditto	ditto	ditto	ditto	ditto	ditto	11,385,033	44,608,529	55,993,562
1864	10,985,703	86,148,921	97,134,624	836,387	2,502,551	3,338,938	11,822,090	88,651,472	100,473,562
1865	21,145,055	35,413,651	56,558,706	6,311,986	1,747,432	8,059,418	27,457,041	37,161,083	64,618,124
1866	20,731,473	49,395,993	70,127,466	10,832,849	1,683,059	12,515,908	31,564,322	51,079,052	82,643,374
1867	13,867,641	22,362,035	36,229,676	15,853,530	2,892,990	18,746,520	29,721,171	25,255,025	54,976,196
1868	23,841,155	44,390,003	68,231,158	12,978,311	2,536,506	15,514,817	36,819,466	46,926,509	83,745,975
1869	13,584,407	14,858,369	28,442,776	13,573,427	899,763	14,473,190	27,157,834	15,758,132	42,915,966
1870	15,812,108	12,768,501	28,580,609	11,748,864	3,554,329	15,303,193	27,560,972	16,322,830	43,883,802
1871	9,089,959	55,491,719	64,581,678	17,285,916	2,535,765	19,821,681	26,375,875	58,027,484	84,403,359
1872	7,986,145	40,391,357	48,377,502	22,729,657	1,691,081	24,420,738	30,715,802	42,082,438	72,798,240
1873	8,810,175	35,661,863	44,472,038	27,759,066	1,674,442	29,433,508	36,569,241	37,336,305	73,905,546
1874	3,878,543	28,766,943	32,645,486	22,498,782	4,555,418	27,054,200	26,377,325	33,322,361	59,699,686
1875	2,233,775	59,309,770	61,453,545	17,197,914	5,115,670	22,313,584	19,431,689	64,425,440	83,857,129
TOTAL	*151,966,139	*484,959,125	*636,925,264	*179,606,689	*31,389,006	*210,995,695	†550,879,043	†722,980,450	‡1,417,225,461
Average per Year	12,883,845	40,413,260	53,077,105	14,967,224	2,615,750	17,582,974	26,232,302	34,427,640	28,344,509

* For 12 years, 1864–1875, inclusive. † For 21 years, 1855–1875. ‡ For 50 years, 1826–1875.

Bureau of Statistics, April 1876.

Edward Young, Chief of Bureau.

Appendix, No. 21.

C.—The World's Production of GOLD and SILVER by Years and Epochs since 1848.

YEARS AND EPOCHS.	GOLD.	SILVER.	GOLD AND SILVER.
	Million dollars.	*Million dollars.*	*Million dollars*
1849	26·4	43·9	70·3
1850	58·3	43·3	101·6
1851	86·4	42·6	129·0
TOTAL	171·1	129·8	300·9
Annual Average	57·03	43·26	100·3
1852	110·6	41·9	152·5
1853	130·7	41·6	172·3
1854	146·8	42·1	188·9
1855	146·7	43·2	189·9
1856	139·4	44·4	183·8
TOTAL	674·2	213·2	887·4
Annual Average	134·84	42·64	177·48
1857	133·1	46·0	179·1
1858	115·2	48·0	163·2
1859	104·1	50·2	154·3
1860	103·0	52·6	155·6
1861	102·6	55·3	157·9
TOTAL	558·0	252·1	810·1
Annual Average	111·6	50·42	162·02
1862	102·4	58·3	160·7
1863	101·6	63·8	165·4
1864	101·1	67·4	168·5
1865	98·9	68·9	167·8
1866	98·2	69·1	167·3
TOTAL	502·2	327·5	829·7
Annual Average	100·44	65·5	165·94
1867	98·1	69·2	167·3
1868	98·9	69·3	168·2
1869	99·0	69·3	168·3
1870	98·6	69·4	168·3
1871	97·2	72·1	169
TOTAL	491·8	349·3	841·1
Annual Average	98·36	69·86	168·22
1872	94·8	73·4	168·2
1873	92	74·7	167·0
1874	89	76·2	166·1
1875	87·4	77·7	165·1
1876	—	—	—
TOTAL	364·4	302·0	666·4
Annual Average	91·1	75·5	166·6
TOTAL from 1849 to 1875	2,761·7	1,573·9	4,335·6
Annual Average	102·29	58·29	160·58

Bureau of Statistics, May 1876.

Appendix, No. 21.

ESTIMATE of the World's Production of GOLD and SILVER, by Epochs, since 1848.

EPOCHS.	No. of Years.	AGGREGATE.			ANNUAL AVERAGE.		
		Gold.	Silver.	Gold and Silver.	Gold.	Silver.	Gold and Silver.
		Million dollars.	*Million dollars.*	*Million dollars.*	*Million dollars.*	*Million dollars.*	*Million dollars.*
1849–'51 - -	3	171·1	129·8	300·9	57·03	43·3	100·30
1852–'56 - -	5	674·2	213·2	887·4	134·85	42·6	177·45
1857–'61 - -	5	558·0	252·1	810·1	111·60	50·5	162·00
1862–'66 - -	5	502·2	327·5	829·7	100·40	65·5	165·90
1867–'71 - -	5	491·8	349·3	841·1	98·40	69·9	168·20
1872–'75 - -	4	364·4	302·0	666·4	91·10	75·5	166·60
1849–'75 - -	27	2,761·7	1,573·9	4,335·6	102·29	58·29	160·58

ESTIMATED aggregate Production of the PRECIOUS METALS during the Twenty-seven Years from 1849 to 1875, inclusive.

COUNTRIES.	Gold.	Silver.	Gold and Silver.
	Million dollars.	*Million dollars.*	*Million dollars.*
Entire world - - - - -	2,761·7	1,573·9	4,335·6
United States - - - - -	1,351·6	*265·55	1,617·15
Other countries - - - - -	1,410·1	1,308·35	2,718·45

* Seventeen Years, 1859 to 1875. The Silver Mines of the United States were first discovered in 1859.

ANNUAL average Production of the PRECIOUS METALS in the World, also in the *United States* of *America*, since 1848, the Year of the Discovery of the Gold Fields of *California*.

COUNTRIES.	EPOCHS.	No. of Years.	Gold.	Silver.	Gold and Silver.
			Million dollars.	*Million dollars.*	*Million dollars.*
Entire world - -	1849–'75 - -	27	102·29	58·29	160·58
United States - -	1849–'75 - -	27	50·06	- - -	59·89
Ditto - - -	1859–'75 - -	17	- - -	15·62	—
Other countries - -	1849–'75 - -	27	52·23	49·94	102·17

Bureau of Statistics, 12 April 1876.

(signed) *Edward Young*,
Chief of Bureau.

Appendix, No. 22 B.

PAPER put in by the *Chairman*.

Appendix, No. 22 B. EXTRACTS from a MEMORANDUM on the FRENCH CIRCULATION, handed to the *Chairman* by a high Authority in *France*.

FABRICATION en FRANCE des pièces de 5 fr. d'Argent de 1795 à 1867 inclus.

		Francs.
1re République		106,237,200
Consulat et Empire		817,952,300
Louis XVIII.		601,048,000
(Pièces aurifères contenant au moins 1 millième d'Or.)		1,525,237,500
Charles X.		616,468,500
(Pièces aurifères contenant environ ½ millième d'Or.)		
TOTAL des pièces aurifères		2,141,706,000
Louis Philippe		1,692,804,000
2e République et 2e Empire		652,870,000
TOTAL de la fabrication jusqu'en 1867		4,487,380,000
Sur cette somme on estime qu'il a été fondu ou exporté—		
En pièces aurifères	2 milliards	
En pièces loudes non aurifères	1 milliard	
		3,000,000,000
Savoir:		
Jusqu'en 1835	500 millions aurifères.	
1836 à 1850	1 milliard aurifères.	
1851 à 1865	500 millions aurifères. 1 milliard lourdes non aurifères.	
Il restait donc en France en 1867, environ, en pièces de 5 fr.		1,487,380,000

En 1868, après une longe période pendant laquelle l'excédant des exportations d'Argent en France avait atteint le chiffre considérable de 1 milliard 400 millions, les importations reprenaient le dessus, et le retour au pair du prix de l'Argent fin permettait un reprise naturelle de la fabrication des pièces de 5 fr.

A ce moment, on s'accordait généralement à évaluer à 1 milliard et demi l'existence en France des écus d'Argent (d'après M.M. Benoit, Fould, Poisat, Rosway, &c.).

Voir

Appendix, No. 22B.

Argent à la Banque,

Voir le tableau ci-contre. L'année suivant, en 1869, l'encaisse s'était considérablement accru, tant par suite de la reprise de la fabrication des pièces de 5 fr. (nulle pendant les années 1856 à 1867) que par l'usage presque exclusif de l'Or abondamment jeté dans la circulation.

Cet encaisse avait successivement monté de 474 à 687 millions.

En 1870, la Banque, dont les caisses furent assiégées au début de la guerre, fournit au public, en quelques mois, 600 millions en Argent.

En 1871, commençait le paiement de l'indemnité de guerre. L'encaisse de la Banque, en *Ecus*, ne s'élevait plus qu'à 70 millions.

La circulation métallique s'était également appauvrie dans d'énormes proportions, et il avait fallu remplacer le numéraire par du papier.

En 1872, s'effectuait une grande partie du paiement de l'indemnité de guerre à l'Allemagne. Toutefois l'Argent sorti rentrait promptement en France. L'encaisse de la Banque remontait de 70 à 110 millions, et la circulation s'enrichissait chaque jour par le retour des écus.

Année.	Encaisse de la Banque de France, en Pièces de 5 fr.	Fabrication des Pièces de 5 fr.	
		En France.	Dans les autres Etats.
1868 -	400,000,000	93,620,550	32,852,000
1869 -	700,000,000	58,264,685	83,263,000
1870 -	60,000,000	53,648,350	83,069,000
1871 -	70,000,000	4,710,905	87,456,000
1872 -	110,000,000	389,190	45,836,000
1873 -	120,000,000	154,138,320	153,977,000
1874 -	375,000,000	(1)60,000,000	79,978,000
1875 -	460,000,000	75,000,000	80,000,000
		499,772,000	646,431,000
Montant des écus fabriqués de 1868 à 1875 inclus - -		1,146,203,000	

Par les Etats Signataries de la Convention, 1865.

(1) Fabrication limitée à partir de 1874, en vertu de Conventions additionnelles.

A partir de 1873, la réimportation, en France, de l'Argent donné à l'Allemagne, la réapparition de l'Or, et l'impulsion, donnée à la fabrication de l'Argent par la baisse du prix de ce métal, ont eu pour effet d'accroître en même temps et la circulation de l'Argent et l'encaisse de la Banque.

Le tableau ci-contre permet de juger d'un coup d'œil de l'importance de ces movements, et particulièrement de la fabrication de l'Argent.

Le stock en pièces de 5 fr. Argent pour la France, l'Italie, la Belgique, la Suisse, et la Grèce, s'est donc accru en huit années, de 1 milliard 146 millions.

Il est notoire que le mortant de la fabrication pendant les trois dernières années, soit environ 600 millions, n'a pas eu pour cause, même en Italie où règne le cours forcé, la necessité de pouvoir aux exigences d'une circulation appauvrie et affamée de numéraire.

La frappe des pièces de 5 fr. a été surtout la conséquence du bas prix de l'Argent qui assurait à la spéculation des bénéfices considérables.

Dans cette situation, l'Argent monnayé suivant la loi du change, devait aller s'accumuler dans celui des cinque Etats dont les autres pouvaient être débiteurs.

La France, que la balance du commerce a plus constamment favorisée, était donc appelée à encaisser une bonne partie des écus récemment fabriqués. En effet, les succursales de la Banque, les plus voisines de la Belgique et de l'Italie, ont reçu et reçoivent encore d'importants envois d'Argent de ces deux pays.

Dans quelle proportion cet Argent est il entré, et de quelle somme notre circulation en a-t-elle été accrue?

C'est une évaluation difficile, et qu'on ne peut faire qu'approximativement.

Comme on l'a vu précédemment, il était admis, en 1868, que la circulation en France des pièces de 5 fr. d'Argent etait de - - - - - - - -	1,500,000,000
Depuis cette époque, ce chiffre s'est augmenté:	
1°. Du produit du monnayage en France, de 1868 à 1875, soit en chiffre rond - - - - - - - - - - - - -	500,000,000
2°. Du montant des importations de pièces étrangères évalué à -	200,000,000
Ce qui porterait à le chiffre actuel de la circulation en Argent -	*Frs.* 2,200,000,000

* * * * * * * *

L'encaisse actuel de la Banque, si considérablement accru n'est guère plus élevé en pièces de 5 fr. d'Argent qu'en 1868.

Cet encaisse renfermait alors - - - - - - -	400 millions.
Il renferme aujourd'hui - - - - - - - -	500 millions.

Ajoutons que, dans le courant de l'année 1869, les pièces de 5 fr. d'Argent entraient pour 700 millions dans l'encaisse, soit pour 200 millions de plus qu'à ce jour.

* * * * * * * *

Appendix, No. 22B.

C'est donc la circulation qui doit avoir absorbé ce supplément de 700 millions dont notre stock d'Argent s'est augmenté.

En est il resulté un état pléthorique, et la circulation surchargée d'écus, rejette-t-elle un excédant qui la gêne ?

Non, jusqu'à présent, sauf les Compagnies de Chemins de fer et quelques établissements industriels ou de crédit qui versent à la Banque le trop plein de leurs caisses, le commerce et les particuliers ne semblent pas incommodés par l'emploi de l'écu de 5 fr. dont le rôle n'a rien perdu de son utilité.

Le produit de la recette en ville de la Banque, qu'on peut considérer à juste titre comme un thermomètre indiquant exactement la situation de la circulation monétaire, justifie cette opinion par la proportion comparée de l'Or à l'Argent dans les encaissements, pendant ces trois dernières années.

En 1874, l'Argent entrait dans les recettes pour - - -	- 85 %
En 1875, l'Argent entrait dans les recettes pour - - -	- 45 %
Pendant les deux premières mois de 1876 - - - -	- 35 %

Appendix, No 22 c.

PAPER put in by the Chairman.

ENCAISSE et Circulation de la Banque de France au 25 Avril 1876.

Encaisse de la Banque le 25 Avril 1876, soir.

PARIS.

		Francs.	*Francs.* c.	*Francs.* c.
Or	Pièces de 100 *f.*	20,000	534,285,000	828,100,161 30
	„ 50 *f.*	1,500,000		
	„ 40 *f.*	4,500,000		
	„ 20 *f.*	475,700,000		
	„ 10 *f.*	31,170,000		
	„ 5 *f.*	21,395,000		
	Bons de monnaie		19,350,216 80	
	Lingots et monnaies étrangères		274,464,944 50	
Argent	Pièces de 5 *f.*		379,185,500	402,441,608 21
	Monnaies divisionnaires (Chiffres de Paris, autants pour les Succursales.)		23,256,108 21	
Bronze	Bronze déposé par le Trésor			88,500
			Total de Paris	1,230,630,269 51
			Encaisse des Succursales	(1) 694,520,000
			Total Général de l'Encaisse	1,925,150,000

(1) Or 550,540,000
Argent 143,980,000

Résumé par Métaux.

	Francs.
Or	1,378,640,000
Argent	(2) 546,421,500
Bronze	88,500
Somme égale	1,925,150,000

(2) Y compris 46 millions de monnaies divisionales.

Billets en Circulation au 25 Avril 1876, soir.

	Francs.
Billets aux anciens types et Billets des Succursales	14,388,300
Ditto de 5,000 *f.*	30,000
Ditto de 1,000 *f.*	887,778,000
Ditto de 500 *f.*	215,724,500
Ditto de 200 *f.*	482,800
Ditto de 100 *f.*	1,102,854,800
Ditto de 50 *f.*	158,793,250
Ditto de 25 *f.*	1,294,225
Ditto de 20 *f.*	60,587,820
Ditto de 5 *f.*	1,907,870
Total	2,443,841,565

Appendix, No. 23.

PAPER put in by the *Chairman.*

Appendix, No. 23.

MEMORANDUM on the MONETARY QUESTION in *Holland*, dated Amsterdam, 1st May 1876.

IN 1847 Holland possessed a double currency, based on a relation of value of 1 : 15·604 between the two metals, the guilder or florin containing 9·45 grammes fine Silver, and the 10-florin piece 6·056 grammes fine Gold. It was then the general feeling that the double standard was a bad system, and that a single standard ought to be adopted. At that time almost all the countries of Europe had a Silver currency; even France, though nominally in possession of a double standard, coined hardly anything but Silver. So it was considered proper to adopt this metal, which, by the law of 26th November 1847, became the sole basis of our monetary system. When, soon afterwards, the production of Gold increased so much, it was generally imagined that Holland had acted very wisely. It could not then be foreseen that 25 years afterwards circumstances would arise which would make us repent of our decision.

These circumstances were, as everybody knows, the late monetary reform in Germany, and the fall in the value of Silver caused by this event. It was felt at once in this country that we could no longer maintain our system after this Reform had been decided upon, because Silver would most probably depreciate and, at all events, become a commodity of more variable value than it used to be. On the 30th October 1872 a Commission was appointed by the King "to inquire what disadvantages would befall to our country in consequence of the monetary measures lately adopted by other nations, especially by Germany, and to propose the remedies which would tend to remove them." As soon as this Commission had reported, a Bill was passed (21st May 1873) empowering the King to stop the coinage of Silver for six months, which law was renewed on the 26th of October 1873, stopping the coinage of Silver again till 1st May 1874.

The Report of the Royal Commission (presented 28th December 1872, and followed by a Second Report, dated 26th June 1873) recommended the adoption of the single Gold currency and the demonetisation of Silver in Holland. In Holland, not in India however. Since 1854, the monetary system of Holland had been introduced into all its colonies; but it was not considered expedient by the Commission to introduce a Gold standard into India, this colony not being thought in a position to be fit for such a system. So it was proposed to maintain in India the Silver standard, while in our own country Gold would be adopted.

Our Government approved of one-half of the Commission's proposals, those relating to Holland; but it formed no decision regarding India, being of opinion that the Indian question might be decided afterwards. It presented a Bill to Parliament tending to demonetise Silver and to adopt the single Gold standard. This Bill, however, encountered much opposition. Many people objected to the demonetisation of Silver, not believing that its value would either fall or become uncertain. Others wished to temporise. A third party would not allow the unity of standard between Holland and India to be broken, and opposed the Bill, because for India it made no provisions. In short, the Bill was rejected by our Second Chamber in March 1874. As on the 1st of May ensuing the law which stopped the coinage of Silver expired, this coinage soon recommenced, and, being very profitable, to a very large extent. From May till December 1874 an immense amount of Silver had been sent to the Mint, and it was obvious at that time that such would continue to be done till the value of our florins would be depreciated to the level of Silver in bullion.

In the meantime a new Ministry had taken office. Not having made up his mind as to the course to be adopted, still unwilling to let this coinage of Silver on a large scale go on, the new Minister of Finance, Baron Van der Heim, proposed a Bill, which became law on the 3rd of December 1874, by which the coinage of Silver was again prohibited for about six months. Before this period had expired he presented another Bill, stopping the coinage of Silver for an indefinite time, but—and this was the main feature of his proposal—allowing the coinage of Gold. This Bill was passed, and became law on the 6th of June 1875. In conformity with it, a Gold 10-florin piece was introduced, very much resembling that which had been demonetised in 1847, only containing 1 per mill less of Gold, viz., 6·048 grammes. This small difference, which practically is of very little importance, is the consequence of an idea in favour with some Members of Parliament, who fancied that it would be an advantage to make 25 francs almost exactly equal to 12 florins. The Minister very wisely did not make any opposition to this.

The law of 6th June 1875, bears quite a transitory character. It contains a clause, according to which it must be revised before the 1st January 1877.

Appendix, No. 24 A.

PAPER put in by Mr. *Henry Waterfield.*

JAPAN.

Appendix, No. 24 A.

EXTRACTS from Report by Mr. *Plunkett* on the Mines of Japan (presented to Parliament 1875).

Mr. *Plunkett* to Sir *H. Parkes.*

Sir, Yedo, 22 April 1875.

IN compliance with a suggestion kindly thrown out by you last summer, I have selected the mines of Japan as the subject of the Report which I have now the honour of laying before you.

There are indeed few questions respecting which more contradictory statements are made, and although I have taken every pains to sift the information which I have been able to collect, it is impossible, in the present unsurveyed state of the country, to come to any perfectly satisfactory conclusion.

It is certain that in almost every portion of the Empire minerals of various kinds are found, and it is equally certain that in numberless parts of the country mines have been worked with more or less success for centuries.

At present many of these so-called mines produce only a few pounds of ore in the course of the year, and the question to be solved is, how far are these ores susceptible of being worked to advantage? Are they really, as is contended by some, mines of untold richness, merely waiting to be brought to light by European capital and science, or are they, as others equally maintain, mere traces of a mineral wealth more apparent than real, and well nigh exhausted by the workings of years?

* * * * *

I shall not at present attempt to do more than give a sketch of the principal mining features of the main island and the two southern islands. Yesso is also said to be rich in mines, but they are so far quite undeveloped, and the principal mining centres of Japan are still south of the Tsugaru Straits.

I shall commence by laying before you two lists, which have been kindly prepared for me by Mr. Godfrey, and are therefore official. The first gives the number of mines working on lease from the Department (no mine can be worked without the special license of Government). The other gives the number of permissions to search for ore which have been granted by the Department.

1st.—Mines working by Lease up to 1874.

Gold mines	55
Gold and Silver mines	3
Silver	13
Copper mines (containing Silver)	2
Silver and Copper mines	69
Silver, Copper, and Lead	4
Silver and Lead	6
Copper mines	126
Copper, Lead, and Silver	1

* * * * *

2nd.—List of Mines working for Exploration.

Gold mines	28
Gold, Silver, Copper, and Lead mine	1
Gold sand (alluvial Gold)	2
Silver mines	31
Silver and Copper	24
Silver, Copper, and Lead mines	2
Silver and Lead	1
Lead mine (containing Silver)	1
Quicksilver mine	1

* * * * *

With the one exception of Takashima, mines in this country are still attacked exclusively by adits, for the Japanese never sink a shaft, and, as they have nothing more powerful than bamboo pumps for lifting water, it is easily conceivable how soon it gets the upper hand, and how the number of abandoned mines comes to be so large. Most of the works are of the most paltry description, for the natives will not invest much capital in mines, preferring to loan out their money at the high interest usually obtainable. The Japanese burrow for ore, wherever they suspect its existence, without system or fore-

Appendix, No. 24A.

thought. A hole is dug in the side of a hill, and, if ore is found, the work goes on; if not, it is soon abandoned, and a fresh hole is dug in some other spot which may seem to give promise of better things. If unsuccessful, this also is soon abandoned; but the two openings thus made, although perhaps not half a ton of ore has ever been extracted from either of them, are called mines, and help to swell the grand lists of mines which are so constantly palmed off upon travellers in the interior, and help to encourage the idea that Japan is a real El Dorado.

I regret, however, to say that a careful analysis of the reports which I have received from various persons practically connected with Japanese mines does not lead me to take so hopeful a view of the subject, and I am brought to the conclusion that, rich as Japan undoubtedly is in ores of every kind, she is not yet likely to take a high rank among the mineral-producing countries of the world.

I beg to submit a most interesting table, which has been drawn up for me at the Mining Department, showing the total mineral production of Japan for 1874, as far as they can calculate it. I believe it is the first estimate of the kind which has been yet attempted, and the result certainly comes far short of the general idea of the annual output.

In this and all the following tables, where I have reduced foreign money into sterling, I have taken the dollar (Mexican) at 4 *s.* 2 *d.*, and the yen (Japanese dollar) at 4 *s.* 1 *d.* This is not absolutely accurate, but it is sufficiently so for the purposes of this Report.

ESTIMATE of Mineral Production of Japan in 1874.

Mineral.	Total produced.	Price each.	Total Value.	Total Value.
		Yen.	*Yen.*	£. *s.* *d.*
Silver	2,600 kwamme*	150	390,000	79,625 – –
Gold	100 „	2,500	250,000	51,041 13 4

* 1 "kwamme" equal to 8⅓ lbs.

Silver and Gold Mines.

Japan possesses both Gold and Silver, although not in large quantities.

As has been already stated, the total production for 1874 was calculated at the Mining Department to be 2,600 kwamme (21,666 lbs.) of Silver, 100 kwamme (833 lbs.) of Gold; a small amount, if it be considered that the official list gives the number of mines producing Silver at 346, and those producing Gold at 89.

The Government possesses Silver mines in the Island of Sado, off Niigata, at Ikuno, in Tajima, and at Kosaka, in Rikushiu, all under the direction of foreign engineers. It also works a Gold mine at Oogaza, in Ugo, under foreign superintendence.

The Sado mines at least would not appear to be a very profitable investment, for I learn from a gentleman who has lately returned from a visit to that island, that, although in one year 60,000 yen (12,250 *l.*) worth of ore was extracted from the mine, 75,000 yen (15,312 *l.*) had to be sent from Yedo in order to meet the working expenses.

Indeed, although much is said about the richness of the Gold and Silver ores of Japan, I do not believe they are at present of much value, and, as this Report is already growing too long, I will not dilate further on this part of the subject.

The cost of production in the native manner of working is estimated—

For Gold – 2 yen (8 *s.* 2 *d.*) per me (58⅓ grains).
„ Silver – 96 yen (19 *l.* 12 *s.*) per kwamme (8⅓ lbs.)

* * * * * *

Quicksilver is found in Hizen and in Rikushiu, but I believe that none of the mines are in work at present. The mine in Rikushiu is said to be a very promising one, but the present proprietors seem disinclined to invest any money in it. The quicksilver used in this country comes principally from China. From England 150 lbs. only were imported in 1873.

Appendix, No. 24 B.

PAPER received from Mr. *Patrick Campbell.*

JAPAN.

Appendix, No. 24B.

EXTRACT from the REPORT of the Director of the Imperial Mint at Osaka, Japan, for the Year ending 31st July 1874.

To His Excellency *Sangi Okuma Shigenobu*, Minister of Finance.

Your Excellency,

I HAVE the honour to submit the third annual report on the Mint, for the information of His Imperial Majesty's Government.

To the Commissioner of the Mint, the officer who is responsible for all bullion deposited in the Mint, and who is also the Chief of the Bullion and Accountant's Department, I am indebted for the following information relative to the receipt of bullion:—

Amount of Gold of Standard Fineness imported into the Imperial Mint during the Year.

Imported by	Ounces Troy, at ·900 Standard.	
Japanese	164,327	79
Chinese	59,366	57
Other foreigners	17,345	53
Imperial Government	215,954	82
Total for 1873–74	456,994	71
Total for previous year	1,310,296	31
Decrease for 1873–74	853,301	60

Description of Gold Bullion imported from the Public during the Year.

Description.	Ounces Troy.	
Gold bars of unknown fineness	151,783	50
Gold leaf „ „	19,476	17
Gold bars of known fineness	1,153	88
San Francisco bars	51,533	16
Chinese bars	588	20
Australian bars	274	26
English sovereigns	431	40
Other foreign coins	342	47
	225,583	04

Amount of Silver of Standard Fineness imported during the Year.

Imported by	Ounces Troy, at ·900 Standard.	
Japanese	396,330	20
Chinese	64,271	84
Other foreigners	115,964	76
Imperial Government	1,724,154	68
Total for 1873–74	2,300,721	48
Total for previous year	2,432,375	91
Decrease, 1873–74	131,654	43

The

Appendix, No. 24B.

Description of Silver Bullion imported from the Public during the Year.

Description.	Ounces Troy.	
Silver bars of unknown fineness - - - -	504,008	29
„ „ known fineness - - - -	38,007	38
United States bars - - - - - -	6,171	05
San Francisco bars - - - - - -	6,909	40
	555,096	12

Mr. Endo, late Commissioner of the Mint, having been appointed to the office of Okura Daijio at Yedo, is to be replaced by Mr. Ishimal.

In the Appendix will be found a list of the officials belonging to the Commissioner's Department.

The Oriental Bank Corporation continue in the position of foreign bankers and agents of the Government, and, now the currency of Japan is becoming more fully recognised abroad, the influence and advantage of this connexion are rapidly increasing in importance.

In the year ending 31st July 1874, the following coins have been struck and passed for issue by the Director, as shown by the bullion office returns:—

Denomination.*	Number.	Value.
	Pieces.	*Dollars.*
Gold, 20 yen - - - - -	None.	None.
10 „ - - - - -	„	„
5 „ - - - - -	1,724,158	8,620,801
2 „ - - - - -	156,080	312,160
1 „ - - - - -	438,811	438,811
	2,319,049	9,371,772
Silver, 1 yen - - - -	724,107	724,107
50 sen - - - -	850,480	425,241
20 „ - - - -	4,020,159	804,033
10 „ - - - -	11,926,268	1,192,626
5 „ - - - -	7,011,515	350,577
	24,532,529	3,496,584
Copper, 2 sen - - - -	2,334,551	46,691
1 „ - - - -	17,951,806	179,518
½ „ - - - -	10,844,740	54,223
1 rin - - - -	4,881,630	4,881
	36,012,727	285,313
GRAND TOTAL - -	62,864,305	13,153,669

* A yen may be considered as equivalent to a dollar. One yen equals 100 sen or 1,000 rin.

The total number of pieces passed for issue was 62,864,305, and the real or nominal value $13,153,669, showing an increase on the previous year of 36,713,099 in the number of coins, and a decrease in value of $16,001,019.

There is a marked falling off in the coinage of Gold, which was to be expected, for not only has the rate of exchange ruled against the advantage of coining Gold, but the total amount in circulation may be considered equal to about $1·50 per head of the entire population of the country, and it is scarcely probable any large increase will be necessary.

On the 17th March last, the Government issued the authorisation for the coinage of a new Silver One Yen piece of improved design, the weight to be 416 grains troy and the fineness ·900, with the value clearly indicated thereon for the guidance of foreigners as well as Japanese. A considerable number of these coins have gone into circulation.

The

The Government of the Straits Settlements recognized the new coin as a legal tender, and it was also accepted at other places on the coast of China. But although the Japanese silver yen, as then proposed, was the precise equivalent of the Hongkong dollar, the application to his Excellency the Governor of Hongkong, for the Japanese yen to be proclaimed in that colony as a legal tender, was, at the instance of the Chamber of Commerce, refused. Strange to say, however, the Canton Government immediately proclaimed the coins for acceptance.

The new silver yen has been, so far, well received, but serious objections were raised as to the weight of 416 grains, whilst the trade dollar of America weighed 420 grains.

The Government have it under consideration how far it may be desirable to assimilate the weight of the Japanese yen with the American trade dollar.

The same difficulty presents itself as appears to have been felt in the United States. The unit of value is the Gold dollar in one case, and the Gold yen in the other, and each country had previously a Silver coin of the same nominal value. The "Trade Dollar" of the United States was authorised by the Coinage Act of 12th February 1873, and the addition to the designation was doubtless to distinguish it clearly from the previous Silver dollar of 412½ grains in weight; "further, it is designed expressly for export, and has no fixed value as compared with Gold. It is in no proper sense a monetary standard or unit of account, and is not included or referred to when the Silver coins for home use are spoken of."*

From similar reasons, the Japanese Government may deem it necessary to increase the weight of the Silver coin intended solely for trade purposes, amongst those who may find it inconvenient to adopt the Gold currency of Japan. The designation, therefore, would no longer be a "Yen," but, as the weight and fineness in every respect equal the "Trade Dollar," the same term may be adopted, thereby marking distinctly the increased value over the so-called Silver or Gold "Yen." I have recommended that the legal deviation in weight should be one grain only in each direction, and the seigniorage or minting charge will probably be reduced to 1½ per cent.

The coinage of Silver has been chiefly confined to the smaller denominations of subsidiary pieces, which continue to be in demand, and the Silver coins already in circulation being equal only to about 41 cents per head of the population, a considerable increase may be looked for.†

The coinage of copper commenced in December last, and has steadily progressed. It has now reached some 36,000,000 pieces; to replace, however, the present copper coinage of the country, will require many years for the production of the required amount, and increased coining power will be necessary to meet this demand.

* * * * * *

(signed) *T. W. Kinder*,
Director of the Imperial Mint,
Master of Her Majesty's late Mint, Hong Kong.

Osaka, Japan, 18 August 1874.

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* *See* Report of the Honourable H. R. Linderman, Director of the United States Mint, for the year ending 30th June 1873, pp. 22 and 23.

† This only applies to the new issues from the Mint—there is besides a large amount of Silver in circulation of the old currency.

Appendix, No. 24 c.

PAPER put in by Mr. *Hubbard*, a Member of the Committee.

Appendix, No. 24c.

MEMORANDUM on the CHINA TRADE.—Communicated by Messrs. *Matheson & Co.*

As regards the imports from China to the United Kingdom, the figures given are necessarily only an approximation to the truth, and in some cases a very remote one. It has also to be remembered that the China season runs from June to May, and the figures would therefore require to be taken as a whole, when comparing them with "Trade Report" Returns. The discrepancies between the two sets of Returns are partly accounted for by the system upon which the Trade Reports are compiled; silk, for instance, in transit from India and China, being in many cases found under the head of imports from Alexandria; and partly by the extreme difficulty of fixing fair or real mercantile values upon articles varying so much in price as tea and silk. In this respect we have been guided in our calculations by experts, but the difficulty has been increased in the case of the 20 or 30 minor articles imported from China; in considering which it may be remarked that it has been impossible to attempt to reconcile within a very wide mark the official returns of imports at home, both as regards value and quantity, with the figures given in China as representing exports from that country. At the very best the total result arrived at can only be looked upon as a rough approximation.

VALUE of IMPORTS, from CHINA into the UNITED KINGDOM, of TEA, SILK, and SUNDRIES.

1. Compiled from China Papers.	£.	2. Returns of Board of Trade.	£.
1855–56	11,068,592	1855	8,746,590
1856–57	13,908,952	1856	9,421,648
1857–58	11,132,099	1857	11,448,639
1858–59	12,812,310	1858	7,073,509
1859–60	14,022,225	1859	9,014,310
1860–61	15,693,524	1860	9,323,764
1861–62	14,047,221	1861	9,070,445
1862–63	16,166,366	1862	12,137,095
1863–64	13,085,081	1863	14,189,310
1864–65	18,010,590	1864	15,673,930
1865–66	16,406,543	1865	11,451,063
1866–67	13,813,470	1866	11,128,661
1867–68	13,521,375	1867	9,523,776
1868–69	16,790,091	1868	11,717,369
1869–70	16,165,608	1869	10,096,320
1870–71	15,301,959	1870	9,905,716
1871–72	17,528,267	1871	12,297,165
1872–73	19,224,086	1872	14,395,248
1873–74	15,450,922	1873	13,303,917
1874–75	16,363,913	1874	11,983,194
£.	300,513,194	£.	221,901,669

Exports from the United Kingdom to China (including Foreign and Colonial Produce and Manufactures).

The following figures are extracted from the "Annual Statement of the Trade and Navigation of the United Kingdom," the only source which supplies information on the subject:—

	£.		£.
1855	1,303,996	1866	7,677,633
1856	2,286,734	1867	7,669,406
1857	2,505,174	1868	8,726,966
1858	2,966,452	1869	9,240,161
1859	4,586,236	1870	9,934,124
1860	5,451,557	1871	9,820,008
1861	4,940,440	1872	9,969,662
1862	3,237,336	1873	8,627,599
1863	4,098,785	1874	8,762,150
1864	4,988,402		
1865	5,276,062	Total £.	122,068,883

Imports and Exports of Silver.

There are no data of the *Imports of Silver* from China to the United Kingdom, but practically they may be treated as *nil.*

Exports of Silver.—There are no data of the exports from the United Kingdom to China specially. Bullion brokers seem to have been interested only in the gross quantity sent to the various parts of the East from Europe, or to the East generally from the United Kingdom. The following figures, therefore, of the Gold and Silver shipped to China, including Japan, during the years 1860–75, cannot be taken as having a direct or exclusive bearing on British trade:—

	£.		
1860	4,902,000	China -	Hong Kong, Swatow, Amoy, Foochow, Shanghai, and Japan.
1861	1,222,000		
1862	2,830,000		
1863	3,076,000		
1864	2,199,000		
1865	1,034,000		
1866	757,000		
1867	702,500		
1868	826,400		
1869	1,391,000		
1870	1,496,300		
1871	1,323,500		
1872	1,945,800	From Southampton, Marseilles, Venice, Brindisi, Gibraltar, Malta, Suez, London, and Liverpool.	
1873	2,849,500		
1874	1,414,286		
1875	1,105,380		
Total £.	29,074,666		
Annual Average during 16 years £.	1,817,166		

Appendix No. 25.

PAPERS put in by Mr. *Henry Waterfield*, and referred to in his Evidence.

A.—Value of the Registered Imports of Gold Bullion and Specie into the United Kingdom from Various Countries.

Countries from which imported.	Gold Bullion and Specie.															
	Computed Value.											Declared Value.				
	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Russia	165,468	557,353	756,842	904,532	50,530	19,512	138,004	61,406	- -	3,285	120,840	415,463	38,300	- -	47,600	—
Germany	26,417	364,394	422,020	185,658	208,090	14,981	503,030	55,185	42,268	25,481	20,921	922,381	453,583	118,695	85,106	409,098
Holland	7,675	6,584	43	114,267	2,252	4,767	70,482	14,470	918	257	278,180	15,757	13,406	14,039	10,713	6,013
Belgium	25,402	515,250	7,948	16,084	10,282	110,335	196,278	13,585	4,092	1,937	156,046	813,883	305,386	120,141	186,114	324,244
France	341,177	2,504,493	91,980	187,546	573,913	307,765	2,843,356	387,319	280,170	695,851	315,767	3,708,203	2,116,557	1,508,985	740,395	2,022,964
Portugal, Azores, and Madeira	2,522	8,730	5,995	1,544	94,147	746,571	550,846	285,615	402,691	4,429	300	- -	1,500	- -	132	2,490
Spain and Canaries	7,595	6,826	12,344	5,098	11,548	25,388	28,896	25,234	19,159	7,537	6,765	8,464	14,218	77,447	4,085	2,571
Gibraltar	5,094	18,192	8,318	9,842	27,345	37,685	32,156	36,298	48,391	53,137	48,079	49,266	52,641	60,501	75,702	114,665
Malta	21,513	9,454	4,053	485	12,712	2,807	33,104	44,420	70,712	172,093	184,693	144,713	95,018	91,045	40,628	128,027
Turkey	1,924	27,830	427	98,430	2,129	1,468	98,631	732	- -	3,294	243,547	30,845	700	10,046	10,302	2,306
Egypt	12,322	15,509	3,709	16,359	65,831	316,149	128,183	101,026	5,794	27,343	748,954	45,529	6,986	2,206,804	223,250	526,359
West Coast of Africa	91,131	78,272	99,922	69,606	96,078	111,907	120,333	146,182	118,875	100,214	116,142	137,328	108,869	77,523	136,263	117,321
British Possessions in South Africa	17,893	8,878	9,038	4,824	3,524	49,305	6,375	15,167	8,480	2,022	536	200	290	19,010	306,695	244,034
British India	- -	- -	6,864	- -	58,002	462,095	1,167,425	205,285	302,178	37,380	723,172	247,464	99,435	291,617	263,135	91,405
China	- -	4,867	117	- -	- -	1,086	2,372	4,204	1,307	780	61,579	1,500	- -	128,846	282,586	341,669
Australia	6,719,000	6,331,225	6,704,753	5,995,368	2,656,971	5,051,170	6,839,674	5,801,207	6,989,594	7,892,757	6,478,616	6,698,826	5,983,232	9,444,495	6,720,878	6,640,881
British North America	32,636	56,046	62,855	47,142	122,393	126,276	153,372	138,680	169,518	76,000	213,820	370,224	35,400	3,497	2,479	4,004
Mexico, South America (except Brazil) and West Indies	996,951	935,307	1,631,464	3,896,554	5,239,899	2,444,181	1,841,384	2,808,367	1,252,816	1,960,683	1,635,360	993,930	704,065	3,050,717	2,492,828	1,386,300
Brazil	183,007	664,929	269,902	63,881	180,996	339,549	327,957	615,318	437,492	868,907	288,503	178,431	116,783	76,291	371,584	257,415
United States	3,917,755	38,434	9,731,434	7,520,682	7,479,790	4,304,495	8,412,286	5,026,185	6,976,455	1,828,694	6,994,051	6,492,595	8,287,109	3,174,472	4,508,740	8,257,664
Other Countries	9,202	11,364	73,676	4,763	4,519	8,078	15,497	14,274	4,977	8,731	170,857	143,922	35,964	136,994	1,571,804	2,261,404
Total £.	12,584,684	12,163,937	19,903,704	19,142,665	16,900,951	14,485,570	23,509,641	15,800,159	17,136,177	13,770,812	18,806,728	21,618,924	18,469,442	20,611,165	18,081,019	23,140,834

B.—Value of the Registered Imports of Silver Bullion and Specie into the United Kingdom from Various Countries.

COUNTRIES FROM WHICH IMPORTED.	SILVER BULLION AND SPECIE.															
	COMPUTED VALUE.											DECLARED VALUE.				
	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Russia	3,641	- -	7,712	7,954	3,330	125	21,044	40	—	—	—	—	—	—	—	—
Germany	393,300	90,831	1,473,518	686,640	663,785	169,434	820,961	162,003	333,587	397,044	704	1,184,386	1,211,550	424,762	2,351,968	1,152,523
Holland	2,496	130,289	163,836	420,804	437,745	429,211	46,471	22,672	100,281	508,181	5,663	35,603	1,057,138	11,646	156,060	8,498
Belgium	569,854	314,189	1,069,952	954,709	1,185,259	99,700	2,793	9,753	75,504	70,337	34,297	366,538	247,657	90,631	262,758	65,099
France	3,695,019	689,522	2,202,972	1,256,724	1,115,096	854,111	2,498,530	1,001,143	1,045,317	1,791,820	1,211,560	1,091,011	923,487	1,342,491	1,172,272	1,392,305
Portugal, Azores, and Madeira	253,031	118,630	91,026	57,620	55,854	59,448	69,882	55,629	70,795	73,735	46,031	20,128	6,965	5,555	17,651	13,925
Spain and Canaries	4,120	30,274	10,348	3,844	5,857	1,363	4,883	1,517	2,762	8,374	11,246	291	2,410	7,013	539	1,062
Gibraltar	22,296	17,000	18,361	28,510	30,997	47,214	77,003	53,680	46,429	44,046	47,086	35,069	49,571	57,045	58,224	33,317
Malta	16,872	25,177	8,681	1,834	- -	- -	18,143	9,892	10,243	1,293	999	8,488	41,058	3,465	3,590	11,584
Turkey	1,304	3,160	2,508	128	- -	- -	55,888	51,596	40	- -	11,574	7,195	440	40	50	334
Egypt	2,088	2,496	2,205	1,727	633	1,278	5,996	5,362	85,059	15,715	30,002	86,162	12,872	30,082	21,885	14,207
West Coast of Africa	10,191	1,555	5,925	8,029	24,408	20,370	18,708	3,248	7,781	839	7,217	4,549	7,074	6,841	40,964	23,587
British Possessions in South Africa	1,277	3,982	4,488	3,977	3,398	6,834	6,205	7,258	4,316	7,479	5,520	1,697	641	1,882	13,317	11,775
British India	- -	- -	16	61	270	12,663	751,381	43	562,056	- -	854,965	1,094,052	3,500	316,635	17,858	122,157
China	- -	785	1,085	73	- -	151	519	- -	- -	836	481,882	3,068,216	61,893	499,622	371,741	112,730
Australia	857	603	283	73	162	321	1,044	519	1,015	5,441	7,609	20,654	31,389	27,106	21,250	33,061
British North America	3,757	8,135	19,557	59,335	12,098	13,561	10,213	12,373	9,392	12,457	495,585	54,060	33,119	17,870	17,150	8,430
Mexico, South America (except Brazil) and West Indies	4,518,097	5,047,612	6,242,068	6,651,506	7,002,384	4,931,855	4,406,163	5,032,495	3,203,972	2,533,107	3,647,418	3,379,920	2,724,537	2,999,316	3,931,823	3,362,666
Brazil	7,212	68,009	87,844	98,503	69,928	77,305	64,075	72,823	225,279	123,127	112,792	23,519	94,573	61,467	64,493	68,877
United States	874,827	28,249	332,728	626,842	155,150	250,065	1,833,297	1,471,821	1,915,939	1,109,739	3,386,734	5,688,878	4,574,869	5,991,823	3,476,622	3,181,227
Other Countries	10,223	2,610	7,659	19,236	60,971	21,632	64,299	47,021	16,651	26,609	250,056	351,484	53,827	1,092,774	297,954	506,591
TOTAL £.	10,393,512	6,583,108	11,752,772	10,888,129	10,827,325	6,976,641	10,777,498	8,020,888	7,716,418	6,730,179	10,648,940	16,521,903	11,138,570	12,988,066	12,298,169	10,123,955

C.—Value of the Registered Imports of Gold and Silver Bullion and Specie into the United Kingdom from Various Countries.

COUNTRIES FROM WHICH IMPORTED.	TOTAL OF GOLD AND SILVER BULLION AND SPECIE.															
	COMPUTED VALUE.											DECLARED VALUE.				
	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Russia	169,109	557,353	764,554	912,486	53,860	19,637	159,048	61,446	- -	3,285	120,840	415,463	38,300	- -	47,600	—
Germany	419,717	455,225	1,895,538	872,298	871,875	184,415	1,323,991	217,188	375,855	422,525	21,625	2,106,767	1,665,133	543,457	2,437,074	1,561,621
Holland	10,171	136,873	163,879	535,071	439,997	433,978	116,953	37,142	101,199	508,438	283,843	51,360	1,070,544	25,685	166,773	14,511
Belgium	595,256	829,439	1,077,900	970,793	1,195,541	210,035	199,071	23,338	79,596	72,274	190,343	1,180,421	553,043	210,772	448,872	389,343
France	4,039,196	3,194,015	2,294,952	1,444,270	1,689,009	1,161,876	5,341,886	1,388,462	1,325,487	2,487,671	1,527,327	4,799,214	3,040,044	2,851,476	1,912,667	3,415,269
Portugal, Azores, and Madeira	255,603	127,360	97,021	59,164	150,001	806,019	620,728	341,244	473,686	78,164	46,331	20,128	8,465	5,555	17,783	16,415
Spain and Canaries	11,715	37,100	22,692	8,942	17,405	26,751	33,779	26,751	21,921	15,911	18,011	8,755	16,628	84,460	4,624	3,633
Gibraltar	27,390	35,192	26,679	38,352	58,342	84,899	109,159	89,978	94,820	97,183	95,165	84,335	102,212	117,546	133,926	147,982
Malta	38,385	34,631	12,734	2,319	12,712	2,807	51,247	54,312	80,955	173,386	185,692	153,201	136,076	94,510	44,218	139,611
Turkey	3,228	30,990	2,935	98,558	2,129	1,468	154,519	52,328	40	3,294	255,121	38,040	1,140	10,086	10,352	2,640
Egypt	14,410	18,005	5,914	18,086	66,464	317,427	134,179	106,388	90,853	43,058	778,956	131,691	19,858	2,236,886	245,135	540,566
West Coast of Africa	101,322	79,827	105,847	77,635	120,486	132,277	139,041	149,430	126,656	101,053	123,359	141,877	115,943	84,364	177,227	140,908
British Possessions in South Africa	19,170	12,860	13,526	8,801	6,922	56,139	12,580	22,425	12,796	9,501	6,056	1,897	931	20,892	320,012	255,809
British India	- -	- -	6,880	61	58,272	474,758	1,918,806	205,328	864,234	37,380	1,578,137	1,341,516	102,935	608,252	280,993	213,562
China	- -	5,652	1,202	73	- -	1,237	2,891	4,204	1,397	1,616	543,401	3,069,716	61,893	628,468	654,327	454,399
Australia	6,719,857	6,331,828	6,705,036	5,995,441	2,657,133	5,051,491	6,840,718	5,801,726	6,990,609	7,898,198	6,486,225	6,919,480	6,014,621	9,471,601	6,742,128	6,673,942
British North America	36,393	64,181	82,412	106,477	134,491	139,837	163,585	151,053	178,910	88,457	709,405	424,284	68,519	21,367	19,629	12,434
Mexico, South America (except Brazil), and West Indies	5,515,048	5,982,919	7,873,532	10,548,060	12,242,283	7,376,036	6,247,547	7,840,862	4,456,788	4,493,790	5,282,778	4,373,853	3,428,602	6,050,033	6,424,651	4,748,966
Brazil	190,219	732,938	357,746	162,384	250,924	416,854	392,032	688,141	662,771	992,034	401,295	201,950	211,356	137,758	436,077	326,292
United States	4,792,582	66,683	10,064,162	8,147,124	7,634,940	4,534,560	10,245,583	6,499,006	8,892 394	2,938,433	10,380,785	12,181,473	12,861,978	9,166,295	7,985,362	11,438,891
Other Countries	19,425	13,974	81,335	23,999	65,490	29,710	79,796	61,295	21,628	35,340	420,913	495,406	89,791	1,229,708	1,869,758	2,767,995
Total £.	22,978,196	18,747,045	31,656,476	30,030,794	27,728,276	21,462,211	34,287,139	23,821,047	24,852,595	20,500,991	29,455,668	38,140,827	29,608,012	33,599,231	30,379,188	33,264,789

D.—Value of the Registered Exports of Gold Bullion and Specie from the United Kingdom to Various Countries.

Countries to which exported.	Gold Bullion and Specie.															
	Computed Real Value.											Declared Value.				
	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Russia	1,573	- -	1,797,973	2,707,857	- -	- -	8,597	24,336	- -	- -	49,234	- -	33,306	125,600	—	—
Denmark	- -	- -	- -	- -	- -	- -	38,428	16,785	955	- -	12,235	- -	628,700	1,338,250	535,622	270,486
Germany	22,067	15,410	30,374	1,080,944	46,572	106,591	623,804	184,686	1,094,311	19,459	180,606	8,487,948	8,151,902	7,262,584	132,000	6,405,737
Holland	10,329	242	68,018	4,374	4,108	2,148	81,929	126,658	16,925	18,584	729,155	60,218	225,500	335,000	478,026	1,066,470
Belgium	118,808	5,057	249,893	19,075	30,353	214,204	368,633	9,618	- -	- -	2,603,638	2,009,417	182,500	98,600	527,200	1,142,099
France	10,400,604	998,304	6,356,200	3,502,829	7,775,111	4,263,286	8,465,243	6,034,340	7,189,646	4,194,430	3,505,448	1,569,171	1,040,448	632,316	5,433,712	5,251,444
Portugal, Azores, and Madeira	602,145	336,921	967,445	638,755	201,835	82,415	108,436	62,300	85,662	59,902	242,860	1,851,603	1,672,201	1,333,077	354,872	607,120
Spain and Canaries	755,022	647,556	1,392,694	1,054,144	1,385,900	1,408,803	50,867	289,058	564,299	4,148	100,492	45,120	- -	1,907,945	3,752	591,033
Gibraltar	144,906	53,014	105,470	52,695	2,511	- -	6,022	3,075	117	48,672	10,513	10,000	2,000	2,000	- -	25,000
Malta	51,001	50,000	389	184,781	97,305	30,021	- -	145,727	111,198	190,491	103,574	50	78,000	- -	70,000	45,600
Turkey	109	494	1,124,096	35,534	23	303	- -	- -	440	888	560	308,972	300,000	—	—	—
Egypt*	1,301,886	796,495	1,919,621	3,473,682	2,059,754	580,262	457,941	241,919	1,497,826	1,536,769	1,158,990	1,405,641	1,006,454	1,178,069	910,663	142,822
British Possessions in South Africa	50,619	133,360	- -	159,211	135,417	19,469	4,867	70,719	63,078	44,293	160,655	1,142,845	1,389,675	216,750	10,583	—
Mauritius	- -	- -	- -	98,124	- -	- -	- -	- -	- -	- -	- -	- -	814	30,000	—	—
China (including Hong Kong)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Australia	29,592	- -	- -	19,469	12	14,524	18,690	9,600	10,069	20,372	30,071	- -	- -	- -	- -	20,500
British North America	9,003	631,576	283,380	129,092	185,164	77,572	190,336	96,052	121,691	324,226	95,058	73,000	17,500	251,200	16,000	80,000
Danish West Indies	21,349	52,466	179,396	2,049	101,155	210	15,167	15,137	19,617	17,553	30,181	13,006	15,202	5,271	21,940	19,110
Spanish West Indies	- -	110,489	18,864	85,497	57,527	24,772	- -	27,434	- -	5,694	188	832	- -	300	1,400	9,900
United States	1,724,008	7,297,887	36,670	39,924	185,100	61,087	1,014,770	63,679	112,519	1,049,947	72,740	113,697	- -	2,416,817	9,095	576,659
Mexico	- -	239	14,999	122,445	12,834	—	—	—	—	—	—	—	—	—	—	—
Central America	- -	23	408,278	8,216	974	124	206	- -	4,487	16,195	4,802	16,000	164,000	12,780	13,650	450
New Granada	7,867	8,022	530,867	29,633	5,160	51	3,831	19,500	3,296	160,714	31,177	11,014	30,830	10,770	—	—
Brazil	357,099	20,286	408,769	1,681,025	926,944	1,271,126	945,121	306,464	1,013,240	447,229	106,921	2,120,881	396,587	409,515	500,767	977,697
Argentine Republic	4,500	5,590	55,640	45,568	5,510	186,657	187,079	58,579	629,526	147,437	682,761	697,125	1,840,515	4,792	1,111,327	616,400
Other Countries	29,091	74,941	62,927	128,266	60,470	149,707	152,092	83,364	169,406	166,696	101,662	761,735	2,572,782	1,499,584	511,027	799,769
Total	15,641,578	12,138,372	16,011,963	15,303,279	13,279,739	8,493,332	12,742,059	7,889,030	12,708,308	8,473,699	10,013,521	20,698,275	19,748,916	19,071,220	10,641,636	18,648,296

* Including Exports to India.

E.—Value of the Registered Exports of Silver Bullion and Specie from the United Kingdom to various Countries.

Countries to which exported.	Silver Bullion and Specie.															
	Computed Value.											Declared Value.				
	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Russia	-	-	57,428	-	289	-	-	10,167	10,167	-	-	41,050	16,400	533,150	742,740	1,000
Denmark	-	-	-	164,227	107,734	21,792	61,864	615	6,321	83	56,637	40,000	1,800	347	912	500
Germany	375,312	318,558	213,622	381,981	202,423	458,809	1,697,673	1,110,626	903,669	372,448	707,405	3,092,222	1,246,323	279,698	117,088	101,696
Holland	124,584	348,438	357,022	216,982	539,103	1,025,349	1,280,965	1,092,573	1,855,253	78,999	2,610,922	1,750,470	152,950	17,415	212,003	191,122
Belgium	92,607	187,318	84,527	192,230	234,944	403,778	855,332	1,140,412	843,235	431,007	2,218,818	1,262,063	373,410	1,181,480	634,580	171,763
France	914,742	1,052,737	849,463	1,258,155	2,146,413	699,579	2,090,118	2,190,308	1,821,748	3,416,723	558,871	1,239,904	871,177	3,564,052	1,321 658	2,449,730
Portugal, Azores, and Madeira	331	641	2,822	-	194	-	83	-	-	-	-	11,800	443,355	106,856	12,352	6,337
Spain and Canaries	1,042	2,690	5,384	4,682	26,824	3,605	107,140	6,475	978	-	336,515	1,054,590	731,400	376,700	1,882,312	1,679,030
Gibraltar	-	-	-	-	2,083	-	74	-	-	74	1,008	3,970	13,210	4,000	-	10,000
Malta	-	-	-	-	13,177	-	-	-	40,081	4,336	-	-	-	-	-	9,271
Turkey	-	-	905,025	-	10	-	-	-	-	-	9	-	-	-	-	22,000
Egypt*	8,124,236	7,279,839	10,710,209	8,815,748	6,308,368	3,808,260	2,537,930	647,415	1,439,165	2,360,577	1,995,803	3,041,186	5,677,925	2,794,579	6,683,456	3,231,296
British Possessions in South Africa	-	10,104	-	6,756	-	-	-	-	-	-	-	59,230	110,935	44,600	21,200	15,275
Mauritius	-	2,033	-	5,094	-	-	-	-	-	-	7,952	4,800	5,000	11,000	-	5,000
China (including Hong Kong)	-	-	-	1,908	-	-	-	-	354,192	727,636	134,681	13,100	38,760	313,055	24,800	863,131
British Settlements, Australia	128	-	-	1,913	8,373	26,678	27,793	8,760	22,016	12,136	22,629	4,300	38,645	44,129	20,595	13,825
British North America	-	14,368	18,741	2,655	15,457	5,822	-	-	-	-	32,528	10,275	9,400	5,000	8,000	4,050
Danish West Indies	28,821	39,177	5,068	51,559	25,553	-	25,522	26,502	25,447	49,393	33,260	33,500	72,100	-	22,500	—
Spanish West Indies	41	-	-	9,937	-	-	-	-	-	-	104	—	—	—	—	—
United States	3,212	84,066	858	14,271	4,631	4,831	300	-	-	1,770	21,634	600	-	2,000	25,250	89,280
Mexico	-	634	-	27	—	—	—	—	—	—	—	—	—	—	—	—
Central America	123	624	7,816	2,654	1,435	2,922	507	399	2,727	153,214	3,844	12,531	3,690	14,494	6,990	11,244
New Granada	4,570	12,801	10,277	1,079	20,279	-	3,232	604	864	37,775	5,861	26,825	23,844	22,040	26,220	20,650
Brazil	167,213	149,527	43,623	50,012	142,706	105,545	88,788	95,297	57,683	5	-	-	-	25	—	—
Argentine Republic	-	222	618	-	101	-	8,265	-	-	-	-	-	-	584	—	—
Other Countries	56,228	69,499	41,725	58,891	52,464	32,222	110,966	105,334	128,160	257,653	157,688	1,339,980	756,621	492,861	449,301	86,546
Total	9,893,190	9,573,276	13,314,228	11,240,671	9,852,561	6,599,192	8,896,552	6,435,487	7,511,706	7,903,829	8,906,169	13,062,396	10,586,945	9,828,065	12,211,957	8,979,746
*To Egypt:—																
Coin (chiefly for China, &c.)	1,936,926	1,021,660	3,806,344	2,586,309	1,697,825	863,361	389,644	260,716	474,591	943,515	259,113	242,810	150	100	25	30
Bullion (chiefly for India	6,187,310	6,258,179	6,903,865	6,229,439	4,610,543	2,944,899	2,148,286	386,699	964,574	1,417,062	1,736,690	2,798,376	5,677,775	2,794,479	6,683,431	3,231,266

F.—Value of the Registered Exports of Gold and Silver Bullion and Specie from the United Kingdom to various Countries.

Countries to which exported.	Total of Gold and Silver Bullion and Specie.															
	Computed Value.											Declared Value.				
	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Russia	1,573	- -	1,855,401	2,707,857	289	- -	8,597	34,503	10,167	- -	49,234	41,050	49,706	678,750	742,740	1,000
Denmark	- -	- -	- -	164,227	107,734	21,792	100,292	17,400	7,276	83	68,872	40,000	630,500	1,338,597	536,534	270,986
Germany	397,379	333,968	243,996	1,462,925	248,995	565,400	2,321,477	1,295,312	1,997,980	391,907	888,011	11,580,170	9,398,225	7,542,282	249,088	6,507,433
Holland	134,913	348,680	425,040	221,356	543,211	1,027,497	1,362,894	1,219,231	1,872,178	97,583	3,340,077	1,810,688	378,450	352,415	690,029	1,257,592
Belgium	211,415	192,375	334,420	211,305	265,297	617,982	1,223,965	1,150,030	843,235	431,007	4,822,456	3,291,480	555,910	1,280,080	1,161,780	1,313,862
France	11,315,346	2,051,041	7,205,663	4,760,984	9,921,524	4,962,865	10,555,361	8,224,648	9,011,394	7,611,153	4,064,319	2,809,075	1,911,625	4,196,368	6,755,370	7,701,174
Portugal, Azores, and Madeira	602,476	337,562	970,267	638,755	202,029	82,415	108,519	62,300	85,662	59,902	242,860	1,863,403	2,115,556	1,439,933	367,224	613,457
Spain and Canaries	756,064	650,246	1,398,078	1,058,826	1,412,724	1,412,408	158,007	295,533	565,277	4,148	437,007	1,099,710	731,400	2,284,645	1,886,064	2,270,063
Gibraltar	144,906	53,014	105,470	52,695	4,594	- -	6,096	3,075	117	48,746	11,521	13,970	15,210	6,000	- -	35,000
Malta	51,001	50,000	389	184,781	110,482	30,021	- -	145,727	1,279	194,827	103,574	50	78,000	- -	70,000	54,871
Turkey	109	494	2,029,121	35,534	33	303	- -	- -	440	888	569	308,972	300,000	- -	- -	22,000
Egypt*	9,426,122	8,076,334	12,629,830	12,289,430	8,368,122	4,388,522	2,995,871	889,334	2,936,991	3,897,346	3,154,793	4,446,827	6,684,379	3,972,648	7,594,119	3,374,118*
British Possessions in South Africa	50,619	143,464	- -	165,967	135,417	19,469	4,867	70,719	63,078	44,293	160,655	1,202,075	1,500,610	261,350	31,783	15,275
Mauritius	- -	2,033	- -	103,218	- -	- -	- -	- -	- -	- -	7,952	4,800	5,814	41,000	- -	5,000
China (including Hong Kong)	- -	- -	- -	1,908	- -	- -	- -	- -	354,192	727,636	134,681	13,100	38,760	313,055	24,800	863,131
British Settlements, Australia	29,720	- -	- -	21,382	8,385	41,202	46,483	18,360	32,085	32,508	52,700	4,300	38,645	44,129	20,595	34,325
British North America	9,003	645,944	302,121	131,747	200,621	83,394	190,336	96,052	121,691	324,226	127,586	83,275	26,900	256,200	24,000	81,050
Danish West Indies	50,170	91,643	184,464	53,608	126,708	210	40,689	41,639	45,064	66,946	63,441	46,506	87,302	5,271	44,440	19,110
Spanish West Indies	41	110,489	18,864	95,434	57,527	24,772	- -	27,434	- -	5,694	292	832	- -	300	1,400	9,900
United States	1,727,220	7,381,953	37,528	54,195	189,731	65,918	1,015,070	63,679	112,519	1,051,717	94,374	114,297	- -	2,418,817	34,345	665,939
Mexico	- -	873	14,999	122,472	12,834	—	—	—	—	—	—	—	—	—	—	—
Central America	123	647	416,094	10,870	2,409	3,046	713	399	7,214	169,409	8,646	28,531	67,690	27,274	20,640	11,694
New Granada	12,437	20,823	541,144	30,712	25,439	51	7,063	20,104	4,160	198,489	37,038	37,859	54,674	32,810	26,220	20,650
Brazil	524,312	169,813	452,392	1,731,037	1,069,650	1,376,671	1,033,909	401,761	1,070,923	447,234	106,921	2,120,881	396,587	409,540	500,767	977,697
Argentine Republic	4,500	5,812	56,258	45,658	5,611	186,657	195,344	58,579	629,526	147,437	682,761	697,125	1,840,515	5,376	1,111,327	616,400
Other Countries	85,319	144,440	104,652	187,157	112,934	181,929	263,058	188,698	297,566	424,349	259,350	2,101,715	3,329,403	1,992,445	960,328	886,315
Total £.	25,534,768	20,811,648	29,326,191	26,544,040	23,132,300	15,092,524	21,638,611	14,324,517	20,220,014	16,377,528	18,919,690	33,760,671	30,335,861	28,899,285	22,853,593	27,628,042

* Including Exports to India.

Appendix, No. 26.

PAPERS put in by Mr. *Henry Waterfield*, and referred to in his Evidence.

A.—VALUE of MERCHANDISE and TREASURE respectively Imported into and Exported from *British India*, by Sea, from and to Foreign Countries, and of the Sums obtained for Bills drawn by the Court of Directors or Secretary of State on the several Governments in *India*, in each of the under-mentioned Official Years.

OFFICIAL YEARS.	IMPORTS.			EXPORTS.			Sums obtained for Bills drawn by the Court of Directors or Secretary of State on the several Governments in India.
	Merchandise.	Treasure.	TOTAL.	Merchandise.	Treasure.	TOTAL.	
	£.	£.	£.	£.	£.	£.	£.
1855-56 - - -	13,943,494	11,301,288*	25,244,782	23,039,268	601,177*	23,640,445	1,484,040
1856-57 - - -	14,194,587	14,413,697	28,608,284	25,338,451	1,253,426*	26,591,877	2,819,711
1857-58 - - -	15,277,629	15,815,436*	31,093,065	27,456,036	822,438*	28,278,474	628,499
1858-59 - - -	21,728,579	12,817,071*	34,545,650	29,862,871	669,427*	30,532,298	25,901
1859-60 - - -	24,265,140	16,356,963	40,622,103	27,960,203	929,007*	28,889,210	4,694
1860-61 - - -	23,493,716	10,677,077	34,170,793	32,970,605	1,119,549*	34,090,154	797
1861-62 - - -	22,320,432	14,951,985*	37,272,417	36,317,042	683,355*	37,000,397	1,193,729
1862-63 - - -	22,632,384	20,508,967	43,141,351	47,859,645	1,111,140*	48,970,785	6,641,576
1863-64 - - -	27,145,590	22,962,581	50,108,171	65,625,449	1,270,435*	66,895,884	8,979,521
1864-65 - - -	28,150,923	21,363,352	49,514,275	68,027,016	1,444,775*	69,471,791	6,789,473
1865-66 - - -	29,599,228	26,557,301	56,156,529	65,491,123	2,165,352*	67,656,475	6,998,899
1866-67 (11 months) -	29,038,715	13,236,905	42,275,620	41,859,994	2,431,503	44,291,497	5,613,746
1867-68 - - -	35,705,783	11,775,374	47,481,157	50,874,056	1,571,946	52,446,002	4,137,285
1868-69 - - -	35,990,142	15,155,954	51,146,096	53,062,165	1,395,580	54,457,745	3,705,741
1869-70 - - -	32,927,520	13,954,807	46,882,327	52,471,376	1,042,353	53,513,729	6,980,122
1870-71 - - -	34,469,119	5,444,823	39,913,942	55,336,186	2,220,765	57,556,951	8,443,509
1871-72 - - -	32,091,849	11,573,813	43,665,662	63,189,732	1,495,642	64,685,374	10,310,339
1872-73 - - -	31,874,625	4,556,585	36,431,210	55,231,463	1,308,579	56,540,042	13,939,095
1873-74 - - -	33,836,029	5,792,533	39,628,562	54,981,561	1,958,512	56,940,073	13,285,678
1874-75 - - -	36,222,087	8,141,046	44,363,133	56,359,229	1,625,309	57,984,538	10,841,615
TOTALS for 20 years, 1855-56 to 1874-75	544,907,571	277,357,558*	822,265,129	933,313,471	27,120,270*	960,433,741	112,823,970

* These figures include copper, of which the aggregate Imports amounted to 210 *l.*, and the aggregate Exports to 34,976 *l.*, the value in no year being so high as 10,000 *l.*

B.—Value of Gold and Silver respectively Imported into and Exported from *British India*, from and to Foreign Parts, in each of the under-mentioned Official Years.

Official Years.	Imports.			Exports.			Surplus of Imports.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.	Gold.	Silver.	Total.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
1855-56 - -	2,508,353	8,792,793	11,301,146	2,108	598,418	600,526	2,506,245	8,194,375	10,700,620
1856-57 - -	2,176,002	12,237,695	14,413,697	84,788	1,164,448	1,249,236	2,091,214	11,073,247	13,164,461
1857-58 - -	2,830,084	12,985,332	15,815,416	47,011	766,384	813,395	2,783,073	12,218,948	15,002,021
1858-59 - -	4,437,339	8,379,692	12,817,031	10,886	651,350	662,236	4,426,453	7,728,342	12,154,795
1859-60 - -	4,288,037	12,068,926	16,356,963	3,803	921,363	925,166	4,284,234	11,147,563	15,431,797
1860-61 - -	4,242,441	6,434,636	10,677,077	9,872	1,106,627	1,116,499	4,232,569	5,328,009	9,560,578
1861-62 - -	5,190,432	9,761,545	14,951,977	6,007	675,089	681,096	5,184,425	9,086,456	14,270,881
1862-63 - -	6,881,569	13,627,398	20,508,967	33,410	1,077,243	1,110,653	6,848,159	12,550,155	19,398,314
1863-64 - -	8,925,412	14,037,169	22,962,581	27,106	1,240,450	1,267,556	8,898,306	12,796,719	21,695,025
1864-65 - -	9,875,032	11,488,320	21,363,352	35,068	1,409,522	1,444,590	9,839,964	10,078,798	19,918,762
1865-66 - -	6,372,894	20,184,407	26,557,301	648,418	1,515,734	2,164,152	5,724,476	18,668,673	24,393,149
1866-67 (11 months)	4,581,472	8,655,433	13,236,905	739,144	1,692,359	2,431,503	3,842,328	6,963,074	10,805,402
1867-68 - -	4,775,924	6,999,450	11,775,374	166,457	1,405,489	1,571,946	4,609,467	5,593,961	10,203,428
1868-69 - -	5,176,976	9,978,978	15,155,954	17,624	1,377,956	1,395,580	5,159,352	8,601,022	13,760,374
1869-70 - -	5,690,400	8,264,407	13,954,807	98,283	944,070	1,042,353	5,592,117	7,320,337	12,912,454
1870-71 - -	2,782,574	2,662,249	5,444,823	500,453	1,720,312	2,220,765	2,282,121	941,937	3,224,058
1871-72 - -	3,573,778	8,000,035	11,573,813	8,434	1,487,208	1,495,642	3,565,344	6,512,827	10,078,171
1872-73 - -	2,622,371	1,934,214	4,556,585	79,009	1,229,570	1,308,579	2,543,362	704,644	3,248,006
1873-74 - -	1,648,807	4,143,726	5,792,533	266,169	1,692,343	1,958,512	1,382,638	2,451,383	3,834,021
1874-75 - -	2,089,236	6,051,810	8,141,046	215,701	1,409,608	1,625,309	1,873,535	4,642,202	6,515,737
Totals for 20 years, 1855-56 to 1874-75 - -	90,669,133	186,688,215	277,357,348	2,999,751	24,085,543	27,085,294	87,669,382	162,602,672	250,272,054

Treasure on Account of Government is included in the above figures.

C.—VALUE of the IMPORTS into, and the EXPORTS from, *India*, of GOLD and SILVER, together with the SURPLUS of IMPORTS, and the AMOUNT obtained for Bills of Exchange drawn in *England* on the Governments in *India*, during each of the 40 Years from 1835–36 to 1874–75.

OFFICIAL YEARS.	IMPORTS.			EXPORTS.			SURPLUS OF IMPORTS.			The Amount obtained for Bills of Exchange drawn in England on the several Governments in India.
	Gold.	Silver.	TOTAL.	Gold.	Silver.	TOTAL.	Gold.	Silver.	TOTAL.	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1835–36	333,399	1,833,673	2,167,072	3,481	221,777	225,258	329,918	1,611,896	1,941,814	2,045,254
1836–37	421,694	1,646,840	2,068,534	1,970	307,958	309,928	419,724	1,338,882	1,758,606	2,042,232
1837–38	462,588	2,215,020	2,677,608	31,718	248,076	279,794	430,870	1,966,944	2,397,814	1,706,184
1838–39	266,531	2,850,380	3,116,911	7,606	205,250	212,856	258,925	2,645,130	2,904,055	2,346,592
1839–40	231,223	1,937,022	2,168,245	4,580	286,551	291,131	226,643	1,650,471	1,877,114	1,439,525
1840–41	137,884	1,707,483	1,845,367	572	305,813	306,385	137,312	1,401,670	1,538,982	1,174,450
1841–42	166,360	1,678,086	1,844,446	737	394,858	395,595	165,623	1,283,228	1,448,851	2,589,283
1842–43	212,441	3,235,011	3,447,452	1,280	282,566	283,846	211,161	2,952,445	3,163,606	1,197,438
1843–44	407,038	4,743,740	5,150,778	515	1,048,298	1,048,813	406,523	3,695,442	4,101,965	2,801,731
1844–45	719,453	3,176,048	3,895,501	9,353	1,187,487	1,196,840	710,100	1,988,561	2,698,661	2,516,951
1845–46	551,966	1,961,357	2,513,323	7,490	1,028,867	1,036,357	544,476	932,490	1,476,966	3,065,709
1846–47	852,839	2,087,082	2,939,921	5,890	708,833	714,723	846,949	1,378,249	2,225,198	3,097,042
1847–48	1,048,778	922,185	1,970,963	9,662	1,416,376	1,426,038	1,039,116	-494,191	544,925	1,541,804
1848–49	1,401,748	2,798,628	4,200,376	52,830	2,484,724	2,537,554	1,348,918	313,904	1,662,822	1,889,195
1849–50	1,159,548	2,235,792	3,395,340	42,555	962,185	1,004,740	1,116,993	1,273,607	2,390,600	2,935,118
1850–51	1,155,310	2,656,498	3,811,808	2,016	539,273	541,289	1,153,294	2,117,225	3,270,519	3,236,458
1851–52	1,338,778	3,713,280	5,052,058	71,165	847,923	919,088	1,267,613	2,865,357	4,132,970	2,777,523
1852–53	1,341,106	5,490,227	6,831,333	168,805	885,203	1,054,008	1,172,301	4,605,024	5,777,325	3,317,122
1853–54	1,078,708	3,770,643	4,849,351	17,265	1,464,899	1,482,164	1,061,443	2,305,744	3,367,187	3,850,565
1854–55	882,721	1,145,137	2,027,858	151,431	1,115,537	1,266,968	731,290	29,600	760,890	3,669,678
1855–56	2,508,353	8,792,793	11,301,146	2,108	598,418	600,526	2,506,245	8,194,375	10,700,620	1,484,040
1856–57	2,176,002	12,237,695	14,413,697	84,788	1,164,448	1,249,236	2,091,214	11,073,247	13,164,461	2,819,711
1857–58	2,830,084	12,985,332	15,815,416	47,011	766,384	813,395	2,783,073	12,218,948	15,002,021	628,499
1858–59	4,437,339	8,379,692	12,817,031	10,886	651,350	662,236	4,426,453	7,728,342	12,154,795	25,901
1859–60	4,288,037	12,068,926	16,356,963	3,803	921,363	925,166	4,284,234	11,147,563	15,431,797	4,694
1860–61	4,242,441	6,434,636	10,677,077	9,872	1,106,627	1,116,499	4,232,569	5,328,009	9,560,578	797
1861–62	5,190,432	9,761,545	14,951,977	6,007	675,089	681,096	5,184,425	9,086,456	14,270,881	1,193,729
1862–63	6,881,569	13,627,398	20,508,967	33,410	1,077,243	1,110,653	6,848,159	12,550,155	19,398,314	6,641,576
1863–64	8,925,412	14,037,169	22,962,581	27,106	1,240,450	1,267,556	8,898,306	12,796,719	21,695,025	8,979,521
1864–65	9,875,032	11,488,320	21,363,352	35,068	1,409,522	1,444,590	9,839,964	10,078,798	19,918,762	6,789,473
1865–66	6,372,894	20,184,407	26,557,301	648,418	1,515,734	2,164,152	5,724,476	18,668,673	24,393,149	6,998,899
1866–67 (11 months)	4,581,472	8,655,433	13,236,905	739,144	1,692,359	2,431,503	3,842,328	6,963,074	10,805,402	5,613,746
1867–68	4,775,924	6,999,450	11,775,374	166,457	1,405,489	1,571,946	4,609,467	5,593,961	10,203,428	4,137,285
1868–69	5,176,976	9,978,978	15,155,954	17,624	1,377,956	1,395,580	5,159,352	8,601,022	13,760,374	3,705,741
1869–70	5,690,400	8,264,407	13,954,807	98,283	944,070	1,042,353	5,592,117	7,320,337	12,912,454	6,980,122
1870–71	2,782,574	2,662,249	5,444,823	500,453	1,720,312	2,220,765	2,282,121	941,937	3,224,058	8,443,509
1871–72	3,573,778	8,000,035	11,573,813	8,434	1,487,208	1,495,642	3,565,344	6,512,827	10,078,171	10,310,339
1872–73	2,622,371	1,934,214	4,556,585	79,009	1,229,570	1,308,579	2,543,362	704,644	3,248,006	13,939,095
1873–74	1,648,807	4,143,726	5,792,533	266,169	1,692,343	1,958,512	1,382,638	2,451,383	3,834,021	13,285,678
1874–75	2,089,236	6,051,810	8,141,046	215,701	1,409,608	1,625,309	1,873,535	4,642,202	6,515,737	10,841,615
TOTALS for the 40 years, 1835–36 to 1874–75	104,839,246	238,492,347	343,331,593	3,590,672	40,027,997	43,618,669	101,248,574	198,464,350	299,712,924	162,063,824

SUMMARY FOR EACH PERIOD OF TEN YEARS.

Official Year.	Imports.			Exports.			Surplus of Imports.			The Amount obtained for Bills of Exchange drawn in England on the several Governments in India.
	Gold.	Silver.	Total.	Gold.	Silver.	Total.	Gold.	Silver.	Total.	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1835-36 to 1844-45 -	3,358,611	25,023,303	28,381,914	61,812	4,488,634	4,550,446	3,296,799	20,534,669	23,831,468	19,859,640
1845-46 to 1854-55 -	10,811,502	26,780,829	37,592,331	529,109	11,453,820	11,982,929	10,282,393	15,327,009	25,609,402	29,380,214
1855-56 to 1864-65 -	51,354,701	109,813,506	161,168,207	260,059	9,610,894	9,870,953	51,094,642	100,202,612	151,297,254	28,567,941
1865-66 to 1874-75 -	39,314,432	76,874,709	116,189,141	2,739,692	14,474,649	17,214,341	36,574,740	62,400,060	98,974,800	84,256,029

C*.—Value of the Imports into, and the Exports from, *India*, of Gold and Silver, together with the Surplus of Imports, and the Amount obtained for Bills of Exchange drawn in *England* on the Governments in *India*, for the Year 1875-76.

Official Year.	Imports.			Exports.			Surplus of Imports			The Amount obtained for Bills of Exchange drawn in England on the several Governments in India.
	Gold.	Silver.	Total.	Gold.	Silver.	Total.	Gold.	Silver.	Total.	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1875-76 - - -	1,835,731	3,464,341	5,300,072	291,249	1,908,986	2,200,235	1,544,482	1,555,355	3,099,837	12,389,613

D.—Total Value of Gold and Silver Bullion and Specie IMPORTED into British India from British Possessions and Foreign Countries, distinguishing the Treasure Imported on acccount of Government, from 1868-69 to 1875-76.

COUNTRIES FROM WHICH IMPORTED.	YEARS ENDED 31st MARCH							
	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.
GOLD:	£.	£.	£.	£.	£.	£.	£.	£.
British Possessions:								
United Kingdom, including Suez*	1,595,893	1,609,484	498,207	1,340,696	751,817	273,472	454,621	267,228
Mauritius	33,889	13,765	4,894	15,757	11,358	2,357	2,627	—
Aden	10,588	23,792	25,863	26,874	29,537	31,829	27,680	27,720
Ceylon	1,549,007	1,889,711	350,217	349,190	235,665	86,282	106,683	131,922
Straits Settlements	41,189	24,776	16,280	22,325	44,029	17,023	23,087	36,587
Australia	260,286	417,999	213,220	308,107	366,473	174,520	50,376	28,166
Total £.	3,490,852	3,979,527	1,108,681	2,062,949	1,438,879	585,483	665,074	491,623
Foreign Countries:								
France	53,759	38,349	12,961	13,333	7,706	2,137	20,855	4,465
Italy	-	-	-	-	-	-	-	865
Mediterranean Ports	-	-	1	-	1,033	9	640	—
Turkey	-	-	-	400	3,950	970	2,675	—
Africa (excluding Red Sea Ports)	7,725	11,503	2,077	7,268	48,705	16,394	16,970	9,890
Réunion	1,993	-	330	37,739	70,000	-	10,200	6,000
Arabia and Red Sea (excluding Suez)	69,198	62,398	112,876	92,451	147,986	160,822	205,902	162,633
Persia and Persian Gulf	52,209	55,823	40,296	27,892	43,144	70,341	80,336	15,787
China	1,501,210	1,542,785	1,505,352	1,331,746	860,968	812,651	1,083,584	1,032,982
Egypt	-	-	-	-	-	-	-	59,081
Turkey in Asia	-	-	-	-	-	-	-	50,211
Japan	-	15	—	—	—	—	—	—
America	-	-	-	-	-	-	3,000	—
Other Countries not stated	30	-	-	-	-	-	-	2,194
Total £.	1,686,124	1,710,873	1,673,893	1,510,829	1,183,492	1,063,324	1,424,162	1,344,108
TOTAL GOLD £.	5,176,976	5,690,400	2,782,574	3,573,778	2,622,371	1,648,807	2,089,236	1,835,731
SILVER:								
British Possessions:								
United Kingdom, including Suez*	3,165,863	2,041,224	200,796	5,560,815	1,107,329	2,149,305	4,376,881	1,979,566
Mauritius	2,729	7,686	11,342	6,315	-	1,840	193,536	4,196
Aden	91,501	83,831	89,216	61,868	46,325	30,856	34,518	43,682
Ceylon	892,735	666,310	180,706	265,492	184,477	317,902	322,686	292,948
Straits Settlements	484,952	476,091	182,645	109,990	59,867	251,623	249,732	83,995
Australia	-	1,080	-	18	-	-	214	—
Total £.	4,637,780	3,276,222	664,705	6,004,498	1,397,998	2,751,526	5,177,567	2,404,387
Foreign Countries:								
France	906,199	337,783	74,910	200,371	11,151	38,128	87,463	143,880
Italy	-	-	-	-	-	-	-	115,321
Mediterranean Ports	-	-	13,054	1,120	-	50.000	28,929	—
Turkey in Asia	-	-	-	-	1,040	1,620	400	86,005
Africa (excluding Red Sea Ports)	31,345	5,714	14,674	19,373	16,096	8,779	13,760	14,801
Réunion	5,620	77,595	23,200	-	-	-	-	1,200
Arabia and Red Sea (excluding Suez)	93,487	98,321	112,555	124,695	146,756	129,426	109,518	226,577
Persia and Persian Gulf — Private	551,721	294,295	418,850	303,539	180,561	226,421	257,318	41,053
Persia and Persian Gulf — Government	40,987	—	—	—	—	—	—	—

China	2,953,835	3,707,567	1,247,854	1,324,141	161,273	912,967	353,302	349,507
Egypt	-	-	-	-	-	-	-	47,339
Mekran and Sonmiani	-	-	2,885	2,158	1,680	3,683	220	—
Japan	-	457,626	78,741	5,700	4,570	-	5	—
Siam	7,523	6,096	7,514	14,222	11,879	21,160	23,228	11,094
Abyssinia — *Government*	*778,429*	—	—	—	—	—	—	—
Other Countries not stated	2,102	3,238	3,307	218	1,210	16	100	23,177
TOTAL — Private	4,551,832	4,988,185	1,997,544	1,995,537	536,216	1,392,200	874,243	1,059,954
TOTAL — *Government*	*789,366*	—	—	—	—	—	—	—
TOTAL £.	5,341,198	4,988,185	1,997,544	1,995,537	536,216	1,392,200	874,243	1,059,954
TOTAL SILVER — Private	9,189,612	8,264,407	2,662,249	8,000,035	1,934,214	4,143,726	6,051,810	3,464,341
TOTAL SILVER — *Government*	*789,366*	—	—	—	—	—	—	—
GRAND TOTAL £.	9,978,978	8,264,407	2,662,249	8,000,035	1,934,214	4,143,726	6,051,810	3,464,341
TOTAL GOLD AND SILVER:								
BRITISH POSSESSIONS:								
United Kingdom, including Suez*	4,761,756	3,650,708	699,003	6,901,511	1,859,146	2,422,777	4,831,502	2,246,794
Mauritius	36,618	21,451	16,236	22,072	11,358	4,197	196,163	4,196
Aden	102,089	107,623	115,079	88,742	75,862	62,685	62,198	71,402
Ceylon	2,441,742	2,556,021	530,923	614,682	420,142	404,184	429,369	424,870
Straits Settlements	526,141	500,867	198,925	132,315	103,896	268,646	272,819	120,582
Australia	260,286	419,079	213,220	308,125	366,473	174,520	50,590	28,166
TOTAL £.	8,128,632	7,255,749	1,773,386	8,067,447	2,836,877	3,337,009	5,842,641	2,896,010
FOREIGN COUNTRIES:								
France	959,958	376,132	87,871	213,704	18,857	40,265	108,318	148,345
Italy	-	-	-	-	-	-	-	116,186
Mediterranean Ports	-	-	13,055	1,120	1,033	50,009	29,569	—
Egypt	-	-	-	-	-	-	-	106,420
Africa (excluding Red Sea Ports)	39,070	17,217	16,751	26,641	64,801	25,173	30,730	24,691
Arabia and Red Sea (excluding Suez)	162,685	160,719	225,431	217,146	294,742	290,248	315,420	389,210
Turkey	-	-	-	400	4,990	2,590	3,075	136,216
Persia and Persian Gulf	614,867	350,068	459,146	331,431	223,705	296,702	337,654	56,840
Mekran and Sonmiani	-	-	2,885	2,158	1,680	3,683	220	—
Réunion	7,613	77,595	23,580	37,739	70,000	-	10,200	7,200
China	4,455,045	5,250,352	2,753,206	2,055,887	1,022,241	1,725,618	1,436,886	1,382,489
Japan	-	457,641	78,741	5,700	4,570	-	5	—
Siam	-	6,096	7,514	14,222	11,879	21,160	23,228	11,094
Abyssinia	778,429	—	—	—	—	—	—	—
America	-	-	-	-	-	-	3,000	—
Other Countries not stated	2,132	3,238	3,307	218	1,210	16	100	25,371
TOTAL — Private	6,237,956	6,699,058	3,671,437	3,506,366	1,719,708	2,455,524	2,298,405	2,404,062
TOTAL — *Government*	*789,366*	—	—	—	—	—	—	—
TOTAL £.	7,027,322	6,699,058	3,671,437	3,506,366	1,719,708	2,455,524	2,298,405	2,404,062
GRAND TOTAL — Private	14,366,588	13,954,807	5,444,823	11,573,813	4,556,585	5,792,533	8,141,046	5,300,072
GRAND TOTAL — *Government*	*789,366*	—	—	—	—	—	—	—
TOTAL TREASURE IMPORTED £.	15,155,954	13,954,807	5,444,823	11,573,813	4,556,585	5,792,533	8,141,046	5,300,072

* Not separately shown in the Returns from India.

E.—Total Value of Gold and Silver Bullion and Specie EXPORTED from British India to British Possessions and Foreign Countries, distinguishing the Treasure sent on account of Government, from 1868-69 to 1875-76.

COUNTRIES TO WHICH EXPORTED.	YEARS ENDED 31st MARCH							
	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.*
GOLD:	£.	£.	£.	£.	£.	£.	£	£.
British Possessions:								
United Kingdom, including Suez† — Private	-	62	481,915	34	122	255,943	207,230	244,876
United Kingdom, including Suez† — *Government*	-	-	-	-	-	-	-	*2*
Aden	730	450	270	245	-	85	240	170
Ceylon	-	1,806	771	600	50,200	-	48	1,669
Straits Settlements	7,675	4,418	415	100	10,445	841	317	2,000
Australia	-	-	-	-	-	-	40	—
Total — Private	8,405	6,736	483,371	979	60,767	256,869	207,875	248,715
Total — *Government*	-	-	-	-	-	-	-	*2*
Total £.	8,405	6,736	483,371	979	60,767	256,869	207,875	248,717
Foreign Countries:								
France	-	6	7,950	-	550	-	6,025	41,630
Italy	-	-	-	-	-	-	-	523
Mediterranean Ports	-	-	-	-	-	-	134	—
Egypt	-	-	-	-	-	-	-	150
Arabia and Red Sea (excluding Suez)	-	-	-	-	265	-	-	30
Persia and Persian Gulf	8,644	24,750	6,088	7,325	10,203	9,210	1,590	200
Mekran and Sonmiani	-	-	-	130	217	—	—	—
China	75	66,000	44	-	2,007	90	77	—
Java	-	-	3,000	-	5,000	—	—	—
Other Countries not stated	500	791	—	—	—	—	—	—
Total £.	9,219	91,547	17,082	7,455	18,242	9,300	7,826	42,533
TOTAL GOLD — Private	17,624	98,283	500,453	8,434	79,009	266,169	215,701	291,248
TOTAL GOLD — *Government*	-	-	-	-	-	-	-	*2*
GRAND TOTAL £.	17,624	98,283	500,453	8,434	79,009	266,169	215,701	291,250
SILVER:								
British Possessions:								
United Kingdom, including Suez† — Private	83	5	611,685	156,363	1,778	272,134	23,300	46,868
United Kingdom, including Suez† — *Government*	*595,418*	-	*613,074*	*1*	-	*30,000*	-	*44*
Mauritius — Private	-	27,900	-	103,300	10,000	281,000	95,000	387,000
Aden — "	13,320	4,910	1,070	52,242	3,100	14,763	32,625	79,021
Aden — *Government*	*500*	-	-	*26,420*	*2,000*	*20,000*	*16,588*	*60,000*
Ceylon — Private	632,950	649,600	302,969	754,124	749,500	834,227	937,302	1,033,035
Ceylon — *Government*	-	-	-	*25,049*	*10,500*	*7,500*	—	—
Straits Settlements — Private	10,508	23,328	45,858	81,788	136,647	51,208	45,324	48,810
Straits Settlements — *Government*	*6,780*	-	*2,211*	-	-	*6,941*	—	—
Australia — Private	-	-	-	-	-	-	10	—
Total — Private	656,861	705,743	961,582	1,147,817	901,025	1,453,332	1,133,561	1,594,734
Total — *Government*	*602,698*	-	*615,285*	*51,470*	*12,500*	*64,441*	*16,588*	*60,044*
Total £.	1,259,559	705,743	1,576,867	1,199,287	913,525	1,517,773	1,150,149	1,654,778

FOREIGN COUNTRIES:								
France — Private	—	—	50	643	370	10,861	15,070	46,545
Italy — „	—	—	—	—	—	—	—	153
Mediterranean Ports — „	—	—	—	—	—	—	2	—
Egypt — „	—	—	—	—	—	—	—	690
Africa (excluding Red Sea Ports) — „	280	10,650	6,000	—	—	12,100	10,493	10,300
Arabia and Red Sea (excluding Suez) — „	3,040	15,381	10,702	9,005	15,948	17,093	15,470	62,239
Turkey in Asia — Private	—	—	—	—	—	—	—	7,038
Turkey in Asia — *Government*	—	—	—	—	—	—	—	*16,000*
Persia and Persian Gulf — Private	80,319	180,896	101,120	120,103	155,439	107,046	98,897	38,426
Persia and Persian Gulf — *Government*	*10,600*	*16,300*	*18,300*	*23,000*	*22,100*	*14,500*	*15,000*	*3,000*
Mekran and Sonmiani — Private	—	—	1,214	835	675	100	50	—
Mekran and Sonmiani — *Government*	—	—	—	—	—	*500*	*1,000*	—
Réunion — Private	—	—	—	—	—	—	—	20,987
China — „	17,085	11,658	5,497	134,335	119,732	12,370	102,537	14,535
Java — „	—	—	—	—	1,005	—	940	—
Siam — „	—	—	—	—	776	—	—	—
Other Countries not stated — Private	873	2,775	562	—	—	—	—	28,190
Other Countries not stated — *Government*	*6,200*	*667*	—	—	—	—	—	6,046
TOTAL — Private	101,597	221,360	125,145	264,921	293,945	159,570	243,459	229,163
TOTAL — *Government*	*16,800*	*16,967*	*18,300*	*23,000*	*22,100*	*15,000*	*16,000*	*25,046*
TOTAL £.	118,397	238,327	143,445	287,921	316,045	174,570	259,459	254,209
TOTAL SILVER — Private	758,458	927,103	1,086,727	1,412,738	1,194,970	1,612,902	1,377,020	1,823,896
TOTAL SILVER — *Government*	*619,498*	*16,967*	*633,585*	*74,470*	*34,600*	*79,441*	*32,588*	*85,091*
GRAND TOTAL £.	1,377,956	944,070	1,720,312	1,487,208	1,229,570	1,692,343	1,409,608	1,908,987

TOTAL GOLD AND SILVER:

BRITISH POSSESSIONS:								
United Kingdom, including Suez†	595,501	67	1,093,600	156,398	1,900	558,077	230,530	291,790
Mauritius	—	27,900	—	103,300	10,000	281,000	95,000	387,000
Aden	14,550	5,360	1,340	78,907	5,100	34,848	49,453	139,191
Ceylon	632,950	651,406	303,740	779,773	810,200	841,727	937,350	1,034,704
Straits Settlements	24,963	27,746	46,273	81,888	147,092	58,990	45,641	50,810
Australia	—	—	—	—	—	—	40	—
TOTAL — Private	665,266	712,479	1,444,953	1,148,796	961,792	1,710,201	1,341,436	1,843,449
TOTAL — *Government*	*602,698*	—	*615,285*	*51,470*	*12,500*	*64,441*	*16,588*	*60,046*
TOTAL £.	1,267,964	712,479	2,060,238	1,200,266	974,292	1,774,642	1,358,024	1,903,495
FOREIGN COUNTRIES:								
France	—	6	8,000	643	920	10,861	21,095	88,175
Italy	—	—	—	—	—	—	—	676
Mediterranean Ports	—	—	—	—	—	—	136	—
Egypt	—	—	—	—	—	—	—	840
Africa (excluding Red Sea Ports)	280	10,650	6,000	—	—	12,100	10,493	10,300
Arabia and Red Sea (excluding Suez)	3,040	15,381	10,702	9,005	16,213	17,093	15,470	62,329
Turkey in Asia	—	—	—	—	—	—	—	23,038
Persia and Persian Gulf	99,563	205,646	107,208	150,428	187,742	130,756	115,487	41,626
Mekran and Sonmiani	—	—	1,214	965	892	600	1,050	—
Réunion	—	—	—	—	—	—	—	20,987
China	17,160	77,658	5,541	134,335	121,739	12,460	102,614	14,535
Java	—	—	3,000	—	6,005	—	940	—
Siam	—	—	—	—	776	—	—	—
Other Countries not stated	7,573	3,566	562	—	—	100	—	34,236
TOTAL — Private	110,816	312,907	142,227	272,376	312,187	168,870	251,285	271,696
TOTAL — *Government*	*16,800*	*16,967*	*18,300*	*23,000*	*22,100*	*15,000*	*16,000*	*25,046*
TOTAL £.	127,616	329,874	160,527	295,376	334,287	183,870	267,285	296,742
GRAND TOTAL — Private	776,082	1,025,386	1,587,180	1,421,172	1,273,979	1,879,071	1,592,721	2,115,144
GRAND TOTAL — *Government*	*619,498*	*16,967*	*633,585*	*74,470*	*34,600*	*79,441*	*32,588*	*85,093*
TOTAL TREASURE EXPORTED £.	1,395,580	1,042,353	2,220,765	1,495,642	1,308,579	1,958,512	1,625,309	2,200,237

* Taken from the Monthly Accounts. † Not separately shown in the Returns from India.

Appendix, No. 26.

F.—Value of Gold and Silver Coinage in the Mints of *Calcutta*, *Madras*, and *Bombay*, from 1855-56 to 1874-75.

Official Years.	Gold.	Silver.	Total.
	£.	£.	£.
1855-56	167,863	6,973,659	7,141,522
1856-57	128,302	10,779,286	10,907,588
1857-58	43,783	12,551,303	12,595,086
1858-59	132,273	6,542,267	6,674,540
1859-60	64,307	10,677,924	10,742,231
1860-61	65,038	5,192,328	5,257,366
1861-62	58,667	7,070,830	7,129,497
1862-63	130,666	9,251,468	9,382,134
1863-64	54,354	11,477,425	11,531,779
1864-65	95,672	10,358,423	10,454,095
1865-66	17,665	14,507,049	14,524,714
1866-67	27,725	6,118,857	6,146,582
1867-68	21,534	4,313,285	4,334,819
1868-69	25,156	4,207,031	4,232,187
1869-70	78,510	7,473,560	7,552,070
1870-71	4,143	1,718,197	1,722,340
1871-72	15,412	1,690,394	1,705,806
1872-73	31,795	3,980,927	4,012,722
1873-74	15,498	2,370,013	2,385,511
1874-75	14,034	4,896,884	4,910,918
Totals for 20 years, 1855-56 to 1874-75	1,192,397	142,151,104	143,343,501

G.—Amount of Silver received into the Mints in *India* from Government Treasuries and Departments from the Year 1855-56 to 1874-75.

Official Years.	Amount of Silver received from Government.
	£.
1855-56	592,513
1856-57	1,150,415*
1857-58	1,272,166†
1858-59	125,719†
1859-60	6,023,346†
1860-61	127,575†
1861-62	1,536,375†
1862-63	610,669
1863-64	482,847
1864-65	467,297
1865-66	169,243
1866-67	239,807
1867-68	70,357
1868-69	68,359
1869-70	108,219
1870-71	97,044
1871-72	36,016
1872-73	76,123
1873-74	36,048
1874-75	55,915
Total for 20 years, 1855-56 to 1874-75	13,346,053

Remarks.

* Increase caused by withdrawal from circulation of Oudh coinage.

† Silver shipped to India by Home Government in the years—

	£.
1857-58	1,091,033
1858-59	2,348,765
1859-60	3,636,082
1860-61	364,497
1861-62	735,005
Total	£. 8,175,382

The receipts from Government ordinarily consist of coin of extinct dynasties, or of the Indian Government received into Treasuries as bullion, or of Government Rupees having lost 2 per cent. in weight from fair wear and tear.

H.—Amount of Government Currency Notes in Circulation, and Amount of Coin and Bullion Reserve, and Government Securities held by the Department of Issue of Paper Currency.*

Date.	Notes in Circulation.	Silver Coin Reserve.	Silver Bullion Reserve.	Gold Bullion Reserve.	Reserve in Government Securities.	Total Reserve.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1 January 1863	4,52,00,000	3,04,51,139	79,00,000	- -	68,48,861	4,52,00,000
„ 1864	5,11,00,000	1,93,22,868	1,17,00,000	- -	2,00,77,132	5,11,00,000
„ 1865	7,47,91,340	3,46,96,329	97,00,000	- -	3,03,95,011	7,47,91,340
„ 1866	7,39,62,440	1,70,19,908	1,55,90,000	15,50,000	3,98,02,532	7,39,62,440
„ 1867	9,95,94,590	5,67,10,172	62,42,878	2,12,130	3,64,29,409	9,95,94,590
„ 1868	10,32,36,590	6,56,06,829	49,61,718	1,47,495	3,25,20,548	10,32,36,590
„ 1869	10,29,98,460	5,57,16,019	79,61,718	1,47,495	3,91,73,228	10,29,98,460
„ 1870	11,30,89,780	5,83,19,932	1,44,84,718	3,12,495	3,99,72,635	11,30,89,780
„ 1871	10,35,19,850	6,63,11,487	46,23,859	3,12,495	3,22,72,009	10,35,19,850
„ 1872	10,86,90,410	6,34,40,536	1,23,20,022	72,495	3,28,57,357	10,86,90,410
„ 1873	12,87,55,030	5,93,00,413	1,24,42,594	72,495	5,69,39,528	12,87,55,030
„ 1874	10,91,07,985	4,74,72,880	46,23,082	72,495	5,69,39,528	10,91,07,985
„ 1875	11,08,12,030	4,38,87,827	99,12,180	72,495	5,69,39,528	11,08,12,030
„ 1876	11,21,58,630	4,72,49,572	78,97,035	72,495	5,69,39,528	11,21,58,630

* The Paper Currency Department began operations on the 1st of March 1862.

I.—Average Rate of Exchange obtained for Bills drawn by the Court of Directors, or Secretary of State, on the several Governments in *India*, in each of the undermentioned Official Years.

Official Years.	Average Rate of Exchange for Bills.	Official Years.	Average Rate of Exchange for Bills.
	s. d.		*s. d.*
1835-36 - - - -	1 $10\frac{5}{8}$	1856-57 - - - -	2 $1\frac{1}{8}$
1836-37 - - - -	1 $10\frac{3}{4}$	1857-58 - - - -	2 $-\frac{2}{8}$
1837-38 - - - -	1 11	1858-59 - - - -	*
1838-39 - - - -	1 $11\frac{5}{8}$	1859-60 - - - -	*
1839-40 - - - -	1 $11\frac{1}{2}$	1860-61 - - - -	*
1840-41 - - - -	1 $11\frac{1}{2}$	1861-62 - - - -	1 $11\frac{7}{8}$
1841-42 - - - -	1 $10\frac{5}{8}$	1862-63 - - - -	1 $11\frac{7}{8}$
1842-43 - - - -	1 $11\frac{1}{2}$	1863-64 - - - -	1 $11\frac{7}{8}$
1843-44 - - - -	1 11	1864-65 - - - -	1 $11\frac{7}{8}$
1844-45 - - - -	1 $9\frac{5}{8}$	1865-66 - - - -	1 $11\frac{3}{4}$
1845-46 - - - -	1 $9\frac{3}{4}$	1866-67 - - - -	1 11
1846-47 - - - -	1 $10\frac{5}{8}$	1867-68 - - - -	1 $11\frac{1}{8}$
1847-48 - - - -	1 10	1868-69 - - - -	1 $11\frac{1}{8}$
1848-49 - - - -	1 $9\frac{1}{8}$	1869-70 - - - -	1 $11\frac{1}{4}$
1849-50 - - - -	1 $10\frac{1}{2}$	1870-71 - - - -	1 $10\frac{1}{2}$
1850-51 - - - -	2 $-\frac{1}{4}$	1871-72 - - - -	1 $11\frac{3}{8}$
1851-52 - - - -	2 $-\frac{1}{8}$	1872-73 - - - -	1 $10\frac{3}{4}$
1852-53 - - - -	1 $11\frac{7}{8}$	1873-74 - - - -	1 $10\frac{3}{8}$
1853-54 - - - -	2 $-\frac{1}{8}$	1874-75 - - - -	1 $10\frac{1}{8}$
1854-55 - - - -	1 $11\frac{1}{8}$	1875-76 - - - -	1 $9\frac{5}{8}$
1855-56 - - - -	2 $-\frac{1}{8}$		

* Up to the year 1860-61 inclusive, the Home Treasury was open at all times for the sale of bills on India, at rates altered from time to time by advertisement. Consequent on the Mutiny, it was necessary to refrain from drawing on India, and the exchange was raised to a prohibitory rate.

Appendix, No. 27.

PAPER put in by Lord *George Hamilton*.

STATEMENT shewing the DISBURSEMENTS of the Home Treasury of the Government of *India* in each

YEAR.	Disbursements during the Year (exclusive of Withdrawals by Guaranteed Companies, and after deducting Miscellaneous Home Receipts.	Ways and Means by which the Disbursements were met					
		Realisation of Commercial Assets.	Amounts received in England on account of India.				
			In Repayment of Advances made in India and China on Security of Goods.	In Repayment of Advances made in India on account of the Imperial Government.	Bills of Exchange Drawn on India.	Bills on London Purchased in India.	
	£.	£.	£.	£.	£.	£.	
1833-34	- - -	- - -	- - -	- - -	- - -	- -	1
1834-35	5,559,723*	4,477,861	105,801	69,731	732,804	- -	2
1835-36	3,367,982	1,962,714	1,031,994	108,339	2,045,254	- -	3
1836-37	8,475,317*	1,632,192	2,083,192	29,334	2,042,232	20,000	4
1837-38	3,093,923	871,734	1,946,901	78,624	1,706,184	- -	5
1838-39	5,905,984*	674,767	1,477,515	88,282	2,346,592	- -	6
1839-40	3,315,450	105,742	756,482	105,796	1,439,525	- -	7
1840-41	3,356,741	5,580	966,749	228,034	1,174,450	- -	8
1841-42	3,757,787	8,616	1,145,797	494,453	2,589,283	- -	9
1842-43	3,382,996	- - -	492,985	873,211	1,197,438	20,000	10
1843-44	4,023,327	- - -	668,364	962,824	2,801,731	10,000	11
1844-45	3,571,345	- - -	33,062	162,381	2,516,951	- -	12
1845-46	4,210,910	- - -	887,880	102,227	3,065,709	- -	13
1846-47	3,984,261	1,867	317,409	136,717	3,097,042	- -	14
1847-48	4,016,537	100	1,132,452	222,095	1,541,804	- -	15
1848-49	4,231,535*	- - -	702,285	134,317	1,889,195	- -	16
1849-50	4,167,705*	2,294	1,314,942	118,041	2,935,118	- -	17
1850-51	3,862,558	- - -	694,533	186,033	3,236,458	- -	18
1851-52	3,510,829	- - -	26	205,556	2,777,523	- -	19
1852-53	3,796,802	- - -	- - -	116,160	3,317,122	- -	20
1853-54	4,369,009	- - -	60	339,531	3,850,565	- -	21
1854-55	4,272,589	- - -	- - -	90,352	3,669,678	- -	22
1855-56	5,036,793*	- - -	- - -	207,392	1,484,040	- -	23
1856-57	4,983,849	- - -	- - -	184,684	2,819,711	- -	24
1857-58	9,354,728*	- - -	- - -	1,768,023	628,499	- -	25
1858-59	13,470,617*	- - -	- - -	136,501	25,901	- -	26
1859-60	15,253,578*	- - -	- - -	544,428	4,694	- -	27
1860-61	10,646,185*	- - -	- - -	1,003,160	797	- -	28
1861-62	11,242,685*	- - -	- - -	1,011,666	1,193,729	120,000	29
1862-63	10,863,137*	- - -	- - -	306,938	6,641,576	- -	30
1863-64	16,818,982*	- - -	- - -	60,232	8,979,521	- -	31
1864-65	9,480,062	- - -	- - -	106,881	6,789,473	- -	32
1865-66	10,419,741	- - -	- - -	106,565	6,998,899	- -	33
1866-67	10,924,952	- - -	- - -	169,575	5,613,746	- -	34
1867-68	12,681,606	- - -	- - -	1,253,721	4,137,285	- -	35
1868-69	13,661,553*	- - -	- - -	4,526,730	3,705,741	- -	36
1869-70	14,509,939*	- - -	- - -	1,470,631	6,980,122	- -	37
1870-71	13,523,477	- - -	- - -	229,748	8,443,509	- -	38
1871-72	13,486,813	- - -	- - -	88,102	10,310,339	- -	39
1872-73	13,831,718	- - -	- - -	195,558	13,939,095	403,040	40
1873-74	15,532,844*	- - -	- - -	167,348	13,285,678	- -	41
1874-75	14,480,643	- - -	- - -	132,570	10,841,615	- -	42
1875-76‖	14,356,457	- - -	- - -	94,390	12,389,613	- -	43
TOTAL - £.	342,793,669	9,743,467	15,758,429	18,616,881	175,186,241	573,040	44

* The Disbursements for the under-mentioned years

	1834-35.	1836-37.	1838-39.	1848-49.	1849-50.	1855-56.	1857-58.	1858-59.	1859-60.	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	
Debt discharged; Indian - -	2,213,852	5,318,806	- -	- -	- -	352,869	—	—	—	1
„ Home - -	- -	- -	1,771,850	- -	- -	- -	900,000	653,900	2,123,000	2
Investments in the Public Funds -	- -	- -	700,884	277,875	479,887	—	—	—	—	3
Cost of Silver shipped to India -	- -	- -	- -	- -	- -	- -	1,091,033	2,348,765	3,636,082	4
TOTAL - - £.	2,213,852	5,318,806	2,472,734	277,875	479,887	352,869	1,991,033	3,002,665	5,759,082	5

‖ The items of the year 1875-76 may be slightly altered on the audit of the Account.

India Office,
8 May 1876.

Appendix, No. 27.

PAPER put in by Lord *George Hamilton*.

Year from 1834–35 to 1875–76 inclusive, and the Mode in which those DISBURSEMENTS were provided for.

	Ways and Means by which the Disbursements were met.							
	Amounts received in England on account of India.						Total Receipts, exclusive of Miscellaneous Home Receipts.	Cash Balance at the Close of the Year.
	Bullion Remittances, Gold.	Bullion Remittances, Silver.	Deposits by Guaranteed Companies for Expenditure in India in excess of Withdrawals.	Total Remittances.	Amount raised in England on Loans.	Sale of Stock in the Public Funds.		
	£.	£.	£.	£.	£.	£.	£.	£.
1	- -	- -	- -	- - -	- -	- -	- - -	3,772,901
2	- -	26,113	- -	934,449	- -	- -	5,412,310	3,625,488
3	- -	- -	- -	3,185,587	- -	- -	5,148,301	5,405,807
4	- -	- -	- -	4,174,758	- -	- -	5,806,950	2,737,440
5	- -	- -	- -	3,731,709	- -	- -	4,603,443	4,246,960
6	- -	- -	- -	3,912,389	- -	- -	4,587,156	2,928,132
7	- -	- -	- -	2,301,803	- -	- -	2,407,545	2,020,227
8	- -	- -	- -	2,369,233	- -	- -	2,374,813	1,038,299
9	- -	- -	- -	4,229,533	168,900	- -	4,407,049	1,687,561
10	- -	- -	- -	2,583,634	100,000	- -	2,683,634	988,199
11	- -	- -	- -	4,442,919	- -	- -	4,442,919	1,407,791
12	- -	- -	- -	2,712,394	584,174	157,773	3,454,341	1,290,787
13	- -	- -	- -	4,055,816	- -	212,801	4,268,617	1,348,494
14	- -	- -	- -	3,551,168	- -	152,231	3,705,266	1,069,499
15	- -	- -	- -	2,896,351	502,455	275,887	3,674,793	727,755
16	- -	918,224	90,000	3,734,021	1,114,190	- -	4,848,211	1,344,431
17	- -	322,365	237,491	4,927,957	- -	- -	4,930,251	2,106,977
18	- -	- -	395,017	4,512,041	- -	- -	4,512,041	2,756,460
19	- -	- -	137,112	3,120,217	- -	- -	3,120,217	2,365,848
20	- -	- -	208,029	3,641,311	- -	- -	3,641,311	2,210,357
21	- -	- -	378,776	4,568,932	- -	- -	4,568,932	2,410,280
22	412,021	- -	2,457,840	6,629,891	- -	- -	6,629,891	4,767,582
23	7,202	- -	2,002,130	3,700,764	- -	- -	3,700,764	3,431,553
24	- -	- -	1,589,845	4,594,240	- -	- -	4,594,240	3,041,944
25	- -	- -	1,638,240	4,034,762	5,688,173	941,449	10,664,384	4,351,600
26	- -	- -	4,888,899	5,051,301	6,887,114	- -	11,938,415	2,819,398
27	- -	- -	3,275,621	3,824,743	12,805,530	- -	16,630,273	4,196,093
28	- -	- -	3,434,593	4,438,550	4,664,605	- -	9,103,155	2,653,063
29	- -	- -	7,002,551	9,327,946	4,995,387	- -	14,323,333	5,733,711
30	- -	- -	3,429,822	10,378,336	- -	- -	10,378,336	5,248,910
31	- -	- -	4,685,593	13,725,346	2,441,000	- -	16,166,346	4,596,274
32	- -	- -	1,902,325	8,798,679	- -	- -	8,798,679	3,914,891
33	159,858	- -	1,175,508	8,440,830	882,800	- -	9,323,630	2,818,780
34	- -	882,302	2,807,427	9,473,050	2,731,901	- -	12,204,951	4,098,779
35	- -	- -	4,860,423	10,251,429	1,164,407	- -	11,415,836	2,833,009
36	- -	- -	4,087,914	12,320,385	1,534,140	- -	13,854,525	3,025,981
37	- -	- -	1,886,276	10,337,029	4,039,412	- -	14,376,441	2,892,483
38	- -	571,193	2,268,660	11,513,110	2,423,856	- -	13,936,966	3,305,972
39	- -	- -	1,190,085	11,588,526	1,413,406	- -	13,001,932	2,821,091
40	- -	- -	*—528,622*†	14,009,071	- -	- -	14,009,071	2,998,444
41	- -	- -	57,553	13,510,579	1,037,458	- -	14,548,037	2,013,637
42	- -	- -	*—781,648*†	10,192,537	5,070,839	- -	15,263,376	2,796,370
43	- -	- -	*—1,210,175*†	11,273,828	1,206,299	- -	12,480,127	920,040
44	579,081	2,720,197	53,567,285	267,001,154	61,456,046‡	1,740,141§	327,460,681	—

include *large* payments under the following heads :—

	1860-61.	1861-62.	1862-63.	1863-64.	1868-69.	1869-70.	1873-74.
	£.	£.	£.	£.	£.	£.	£.
1	—	—	—	—	—	—	—
2	956,200	1,301,600	1,756,200	7,968,500	502,500	501,300	1,019,000
3	—	—	—	—	—	—	—
4	364,497	735,005	—	—	—	—	—
5	1,320,697	2,036,605	1,756,200	7,968,500	502,500	501,300	1,019,000

† The Withdrawals exceeded the Receipts to this extent.

‡ The sum of 61,456,046 *l.* was raised by incurring Debt to the amount of - - - £. 61,730,400

Towards the Redemption of the Dividend on East India Stock, Debt was incurred to the amount of - - - - - 4,579,416

Amount of Bond Debt on 1st May 1834 - 3,538,654

69,848,470

Amount of Debt discharged between 1st May 1834 and 31st March 1876 - - - 20,051,437

Amount of Home Debt on 31st March 1876 - - - - - - - £. 49,797,033

§ The Disbursements include 1,808,647 *l.* on account of purchase of Stock in the Public Funds.

T. W. Keith, Accountant.

Appendix, No. 28.

PAPERS put in by Colonel *H. Hyde*, R.E., late Master of the Calcutta Mint.

A.—VALUE of OLD RUPEES re-coined at the Mints in *India* in each Year from 1835-36 to 1875-76, and of NEW RUPEES and SMALL SILVER COIN coined during the same Period.

	Value of Old Rupees re-coined into New Rupees.				Value of New Rupees and Small Silver Coin coined from Old Rupees, Bullion, &c.			
Official Years.	Calcutta Mint.	Madras Mint.	Bombay Mint.	Total Recoinage.	Calcutta Mint.	Madras Mint.	Bombay Mint.	Total New Coinage.
	£.	£.	£.	£.	£.	£.	£.	£.
1835-36 -	1,363,674	- -	157,307	1,520,981	1,624,996	126,400	577,624	2,329,020
1836-37 -	1,732,056	- -	955,346	2,687,402	2,981,430	- -	890,759	3,872,189
1837-38 -	877,844	- -	358,792	1,236,676	2,093,410	- -	1,282,166	3,375,576
1838-39 -	750,972	- -	217,170	968,142	2,676,375	- -	1,294,244	3,970,619
1839-40 -	373,932	- -	499,243	873,175	2,162,757	- -	907,210	3,069,967
1840-41 -	387,209	- -	311,817	699,026	1,641,079	- -	1,283,491	2,924,570
1841-42 -	802,707	227,905	566,266	1,596,878	2,512,631	258,600	989,033	3,760,264
1842-43 -	159,928	80,740	347,322	587,990	2,061,186	164,033	1,069,567	3,294,786
1843-44 -	142,181	361,784	350,406	854,371	2,176,608	422,846	2,073,250	4,672,704
1844-45 -	462,368	203,113	229,043	894,524	2,833,560	317,236	1,546,018	4,696,814
1845-46 -	386,021	255,300	179,146	820,467	2,253,233	236,904	1,366,081	3,856,218
1846-47 -	158,390	523,931	35,579	717,900	1,647,812	608,345	664,695	2,920,852
1847-48 -	228,766	289,054	247,689	765,510	1,011,994	349,527	420,736	1,782,257
1848-49 -	334,059	121,185	132,770	588,014	1,330,327	129,664	1,118,875	2,578,866
1849-50 -	244,463	94,889	132,605	471,957	1,359,712	86,441	965,055	2,411,208
1850-51 -	278,509	191,585	471,394	941,488	1,213,110	195,417	1,207,890	2,616,417
1851-52 -	166,352	135,312	627,854	929,518	1,788,019	370,677	2,089,795	4,248,491
1852-53 -	179,641	77,861	135,182	392,684	2,736,621	393,497	2,379,847	5,509,965
1853-54 -	150,197	68,060	416,525	634,782	2,318,270	675,085	2,260,082	5,253,437
1854-55 -	360,457	40,071	123,625	524,153	704,317	286,842	374,742	1,365,901
1855-56 -	206,530	37,094	105,588	349,212	3,876,232	545,232	2,552,195	6,973,659
1856-57 -	328,661	65,999	46,061	440,721	6,691,081	867,797	3,220,408	10,779,286
1857-58 -	47,062	27,186	29,840	104,088	7,309,331	962,220	4,279,752	12,551,303
1858-59 -	56,861	21,795	44,905	123,561	3,866,489	485,317	2,190,461	6,542,267
1859-60 -	15,337	35,575	25,428	76,340	6,060,115	566,163	4,051,646	10,677,924
1860-61 -	88,540	5,453	11,475	105,468	2,698,625	513,464	1,980,239	5,192,328
1861-62 -	355,468	21,397	22,813	399,678	2,571,645	439,907	4,059,278	7,070,830
1862-63 -	79,264	19,518	5,126	103,908	2,511,453	673,225	6,066,790	9,251,468
1863-64 -	62,961	8,939	5,135	77,035	2,598,015	1,277,671	7,601,739	11,477,425
1864-65 -	388,877	15,182	21,398	425,457	4,122,650	644,828	5,590,945	10,358,423
1865-66 -	127,241	3,714	1,319	132,274	6,571,173	544,964	7,390,912	14,507,049
1866-67 - (11 Months.)	49,482	5,342	9,432	64,256	3,471,148	148,080	2,499,629	6,118,857
1867-68 -	29,679	11,092	31,024	71,795	1,665,950	34,766	2,612,569	4,313,285
1868-69 -	34,914	11,078	16,282	62,274	1,537,687	18,751	2,650,593	4,207,031
1869-70 -	33,062	- -	3,858	36,920	3,170,769	- -	4,302,791	7,473,560
1870-71 -	20,513	- -	5,329	25,842	474,712	- -	1,243,485	1,718,197
1871-72 -	13,472	- -	5,438	18,910	1,080,009	- -	610,385	1,690,394
1872-73 -	27,497	- -	123	27,620	1,045,953	- -	2,934,961	3,980,914
1873-74 -	28,930	- -	1,103	30,033	790,909	- -	1,579,097	2,370,006
1874-75 -	42,726	- -	1,413	44,139	1,771,462	- -	3,125,422	4,876,884
1875-76 -	31,587	- -	778	32,365	818,346	- -	1,731,872	2,550,218

Appendix, No. 28.

B.—Bullion Imports, Coinage, Coin in Circulation, and Revenue of *India* in each Year from 1835-36 to 1875-76.

Years.	Silver.		New Silver Coinage.		Old Silver Coinage Previous to 1835-36.		Revenue in India Yearly.
	Surplus Imports over Exports.		Yearly.	Cumulative.	Recoined Yearly.	Recoined Cumulatively.	
	Yearly.	Cumulative.					
	£.	£.	£.	£.	£.	£.	£.
1835-36 -	1,611,896	1,611,896	2,329,020	2,329,030	1,520,981	1,520,981	20,148,125
1836-37 -	1,338,882	2,950,778	3,872,189	6,201,209	2,687,402	4,208,383	20,999,130
1837-38 -	1,966,944	4,917,722	3,375,576	9,576,785	1,236,766	5,445,059	20,858,820
1838-39 -	2,645,130	7,562,852	3,970,619	13,547,404	968,142	6,413,201	21,158,099
1839-40 -	1,650,471	9,213,323	3,069,976	16,617,371	873,175	7,286,376	20,124,038
1840-41 -	1,401,670	10,614,993	2,924,570	19,541,941	699,026	7,985,402	20,851,073
1841-42 -	1,283,228	11,898,221	3,760,264	23,302,205	1,596,878	9,582,280	21,837,823
1842-43 -	2,952,445	14,850,666	3,294,787	26,596,992	587,990	10,170,270	22,616,487
1843-44 -	3,695,442	18,546,108	4,672,703	31,269,695	854,371	11,024,641	23,586,573
1844-45 -	1,988,561	20,534,669	4,696,814	35,966,509	894,524	11,919,165	23,666,246
1845-46 -	932,490	21,467,159	3,856,218	39,822,727	820,467	12,739,632	24,270,608
1846-47 -	1,378,249	22,845,408	2,920,852	42,743,579	717,900	13,457,532	26,084,681
1847-48 -	Deficit *494,191*	22,351,217	1,782,257	44,525,836	765,510	14,223,042	24,908,302
1848-49 -	313,904	22,665,121	2,578,866	47,104,702	588,014	14,811,056	25,396,386
1849-50 -	1,273,607	23,938,728	2,411,208	49,515,910	471,957	15,283,013	27,522,344
1850-51 -	2,117,225	26,055,953	2,616,417	52,132,327	941,488	16,224,501	27,625,360
1851-52 -	2,865,357	28,921,310	4,248,491	56,380,818	929,518	17,154,019	27,832,237
1852-53 -	4,605,024	33,526,334	5,509,965	61,890,783	392,684	17,546,703	28,609,107
1853-54 -	2,305,744	35,832,078	5,253,437	67,144,220	634,782	18,181,485	28,133,544
1854-55 -	29,600	35,861,678	1,365,901	68,510,121	524,153	18,705,638	29,024,671
1855-56 -	8,194,375	44,056,053	6,973,659	75,483,780	349,212	19,054,850	30,732,903
1856-57 -	11,073,247	55,129,300	10,779,286	86,263,066	440,721	19,495,571	31,587,811
1857-58 -	12,218,948	67,348,248	12,551,303	98,814,367	104,088	19,599,659	31,643,267
1858-59 -	7,728,342	75,076,590	6,542,267	105,356,636	123,561	19,723,220	35,965,018
1859-60 -	11,147,563	86,224,153	10,677,924	116,034,560	76,340	19,799,560	39,602,805
1860-61 -	5,328,009	91,552,162	5,192,328	121,226,888	105,468	19,905,028	42,728,601
1861-62 -	9,086,456	100,638,618	7,070,830	128,297,718	399,678	20,304,706	43,487,934
1862-63 -	12,550,155	113,188,773	9,251,468	137,549,186	103,908	20,408,614	44,801,686
1863-64 -	12,796,719	125,985,492	11,477,425	149,026,611	77,035	20,485,649	44,279,467
1864-65 -	10,078,798	136,064,290	10,358,423	159,385,034	425,457	20,911,106	45,395,384
1865-66 -	18,668,673	154,732,963	14,507,049	173,892,083	132,274	21,043,380	48,514,749
1866-67 - (11 Months.)	6,963,074	161,696,037	6,118,857	180,010,940	64,256	21,107,636	41,590,736
1867-68 -	5,593,961	167,289,998	4,313,285	184,324,225	71,795	21,179,431	48,053,178
1868-69 -	8,601,022	175,891,020	4,207,031	188,531,256	62,274	21,241,705	48,531,763
1869-70 -	7,320,337	183,211,357	7,473,560	196,004,816	36,920	21,278,625	50,241,510
1870-71 -	941,937	184,153,294	1,718,197	197,723,013	25,842	21,304,467	50,879,058
1871-72 -	6,512,827	190,666,121	1,690,394	199,413,407	18,910	21,323,377	49,603,015
1872-73 -	704,644	191,370,765	3,980,914	203,394,321	27,620	21,350,397	49,676,189
1873-74 -	2,451,383	193,822,148	2,370,006	205,764,327	30,033	21,381,030	49,360,142
1874-75 -	4,642,202	198,464,350	4,896,884	210,661,211	44,139	21,425,169	50,226,688
1875-76 -	1,555,355	200,019,705	2,550,218	213,211,429	32,365	21,457,534	50,991,000

Appendix, No. 29.

PAPER put in by Mr. *Henry Waterfield.*

STATEMENT comparing the Figures relating to the EXPORTS of GOLD and SILVER to the EAST, as shown (2.) Messrs. Pixley and Abell's Table of Monthly Fluctuations in the Price of Bar Silver, &c.; (3.) Messrs. (4.) Statistical Abstracts for the United Kingdom, presented to Parliament.

YEAR.	EXPORTS OF GOLD.				EXPORTS OF SILVER.					
	M. DE QUETTEVILLE.			BOARD OF TRADE.	M. DE QUETTEVILLE.			MESSRS. PIXLEY AND ABELL.	BOARD OF TRADE.	
	From Great Britain, by Peninsular and Oriental Company. (1.)	From Mediterranean Ports, by Peninsular and Oriental Company and Messageries Impériales. (2.)	TOTAL of Columns 1 and 2. (3.)	From United Kingdom to Egypt, Mauritius, East Indies, China, and Australia. (4.)	From Great Britain, by Peninsular and Oriental Company. (5.)	From Mediterranean Ports, by Peninsular and Oriental Company and Messageries Impériales. (6.)	TOTAL of Columns 5 and 6. (7.)	From England to the East, by Peninsular and Oriental Company. (8.)	From United Kingdom to Egypt, Mauritius, East Indies, China, and Australia. (9.)	
	£.	£.	£.	£.	£.	£.	£.	£.	£.	
1851	*102,280*	- -	102,280	388,150	*1,716,100*	- -	1,716,100	1,715,100	1,656,633	1
1852	*921,739*	- -	921,739	1,645,771	*2,630,238*	- -	2,630,238	2,447,450	3,204,444	2
1853	*880,202*	*93,528*	973,730	1,897,764	*4,710,665*	*848,362*	5,559,027	3,117,980	5,098,522	3
1854	*1,174,299*	*48,456*	1,222,755	508,811	*3,132,003*	*1,451,014*	4,583,017	3,095,490	3,287,283	4
1855	*948,272*	*243,239*	1,191,511	448,642	*6,409,889*	*1,524,240*	7,934,129	6,431,733	5,652,682	5
1856	*404,749*	*74,039*	478,788	475,070	*12,118,985*	*1,989,916*	14,108,901	12,113,991	10,956,749	6
1857	*269,275*	*259,986*	529,261	362,705	*16,795,232*	*3,350,689*	20,145,921	16,731,915	17,295,504	7
1858	*168,305*	*165,230*	333,535	238,609	*4,781,923*	*911,043*	5,692,966	4,753,933	5,114,907	8
1859	*788,269*	*142,144*	930,413	613,895	*14,828,521*	*1,521,970*	16,350,491	14,828,521	16,004,131	9
1860	*1,669,746*	*765,138*	2,434,884	1,331,478	*8,038,276*	*2,764,054*	10,802,330	8,478,739	8,124,364	10
1861	*783,543*	*644,934*	1,428,477	796,495	*6,838,292*	*2,021,060*	8,859,352	6,824,807	7,281,872	11
1862	*1,715,963*	*1,676,689*	3,392,652	1,919,621	*10,138,506*	*4,461,273*	14,599,779	10,091,460	10,710,209	12
1863	*3,173,442*	*4,849,521*	8,022,963	3,591,275	*8,213,264*	*6,923,269*	15,136,533	8,263,011	8,824,663	13
1864	*2,041,854*	*4,928,891*	6,970,745	2,059,766	*6,175,270*	*10,681,428*	16,856,698	6,254,004	6,316,741	14
1865	*555,725*	*3,794,425*	4,350,150	594,786	*3,621,330*	*6,123,968*	9,745,298	3,598,058	3,834,938	15
1866	*478,217*	*2,393,062*	2,871,279	476,631	*2,374,939*	*4,704,549*	7,079,488	2,365,626	2,565,723	16
1867	*258,904*	*1,240,129*	1,499,033	251,519	*643,927*	*1,408,297*	2,052,224	642,912	656,175	17
1868	*1,564,635*	*4,963,551*	6,528,186	1,507,895	*1,650,132*	*1,908,421*	3,558,553	1,635,642	1,815,373	18
1869	*1,519,125*	*1,107,281*	2,626,406	1,557,141	*2,341,035*	*4,223,113*	6,564,148	2,362,943	3,100,349	19
1870	*1,277,210*	*816,509*	2,093,719	1,189,061	*1,918,508*	*297,292*	2,215,800	1,579,473	2,161,065	20
1871	*1,728,368*	*1,552,018*	3,280,386	1,405,641	*3,649,667*	*242,456*	3,892,123	3,712,473	3,063,386	21
1872	*1,399,352*	*1,992,225*	3,391,577	1,007,268	*6,278,935*	*253,680*	6,532,615	5,654,451	5,760,330	22
1873	*1,573,163*	*1,382,949*	2,956,112	1,208,069	*3,363,822*	*115,170*	3,478,992	2,497,576	3,162,763	23
1874	*1,039,402*	*1,677,259*	2,716,661	910,663	*6,841,487*	*929,150*	7,770,637	7,092,726	6,728,851	24
1875	*232,589*	*900,549*	1,133,138	163,322	*4,009,942*	*537,176*	4,547,118	3,714,404	4,078,252	25
TOTAL £.	*26,668,628*	*35,711,752*	62,380,380	26,550,048	*143,220,888*	*59,191,590*	202,412,478	140,004,418	146,455,909	26

Appendix, No. 29

PAPER put in by Mr. *Henry Waterfield.*

in the following Documents:—(1.) M. Girard de Quetteville's Indian Circular, dated 4th February 1876; Page and Gwyther's Comparative Statement of Ten Years' Export of Bullion and Specie to the East;

EXPORTS OF BOTH GOLD AND SILVER.

	M. de Quetteville.			Messrs. Page and Gwyther.								Board of Trade.
				According to Destination.			According to Mode of Conveyance.					
	From Great Britain, by Peninsular and Oriental Company.	From Mediterranean Ports, by Peninsular and Oriental Company and Messageries Impériales.	Total of Columns 10 and 11.	To Gibraltar, Malta, Constantinople, Syria, and Suez.	To Alexandria, Aden, and Places further East.	Total of Columns 13 and 14, and of Columns 16 to 20.	By Peninsular and Oriental Company from Southampton.	By Peninsular and Oriental Company from Marseilles, Venice, and Brindisi.	By Peninsular and Oriental Company from Gibraltar, Malta, and Suez.	By Messageries Maritimes from Marseilles and Suez.	By Steam and Sailing Vessels, *viâ* Egypt and *viâ* the Cape, from London and Liverpool.	From United Kingdom to Egypt, Mauritius, East Indies, China, and Australia.
	(10.)	(11.)	(12.)	(13.)	(14.)	(15.)	(16.)	(17.)	(18.)	(19.)	(20.)	(21.)
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1	*1,818,380*	- -	1,818,380	–	- -	- -	- -	- -	–	- -	- -	2,044,783
2	*3,551,977*	- -	3,551,977	–	- -	- -	- -	- -	–	- -	- -	4,850,215
3	*5,590,867*	*941,890*	6,532,757	–	- -	- -	- -	- -	–	- -	- -	6,996,286
4	*4,306,302*	*1,499,470*	5,805,772	–	- -	- -	- -	- -	–	- -	- -	3,796,094
5	*7,358,161*	*1,767,479*	9,125,640	–	- -	- -	- -	- -	–	- -	- -	6,101,324
6	*12,523,734*	*2,063,955*	14,587,689	–	- -	- -	- -	- -	–	- -	- -	11,431,819
7	*17,064,507*	*3,610,675*	20,675,182	–	- -	- -	- -	- -	–	- -	- -	17,658,209
8	*4,950,228*	*1,076,273*	6,026,501	–	- -	- -	- -	- -	–	- -	- -	5,353,516
9	*15,616,790*	*1,664,114*	17,280,904	–	- -	- -	- -	- -	–	- -	- -	16,618,026
10	*9,708,022*	*3,529,192*	13,237,214	–	- -	- -	- -	- -	–	- -	- -	9,455,842
11	*7,621,835*	*2,665,994*	10,287,829	–	- -	- -	- -	- -	–	- -	- -	8,078,367
12	*11,854,469*	*6,137,962*	17,992,431	–	- -	- -	- -	- -	–	- -	- -	12,629,830
13	*11,386,706*	*11,772,790*	23,159,496	–	- -	- -	- -	- -	–	- -	- -	12,415,938
14	*8,217,124*	*15,610,319*	23,827,443	–	- -	- -	- -	- -	–	- -	- -	8,376,507
15	*4,177,055*	*9,918,393*	14,095,448	–	- -	- -	- -	- -	–	- -	- -	4,429,724
16	*2,853,156*	*7,097,611*	9,950,767	*73,003*	*9,959,623*	10,032,626	*2,853,153*	*3,458,944*	*340,585*	*3,379,944*	- -	3,042,354
17	*902,831*	*2,648,426*	3,551,257	*5,644*	*3,653,510*	3,659,154	*902,831*	*1,128,439*	*583,855*	*1,044,029*	- -	907,694
18	*3,214,767*	*6,871,972*	10,086,739	*1,220*	*10,188,684*	10,189,904	*3,214,767*	*3,871,536*	*604,266*	*2,499,335*	- -	3,323,268
19	*3,860,160*	*5,330,394*	9,190,554	*3,811*	*9,049,375*	9,053,186	*3,860,160*	*3,752,736*	*313,719*	*1,126,371*	- -	4,657,490
20	*3,195,718*	*1,113,801*	4,309,519	*130,042*	*4,377,346*	4,507,388	*3,195,718*	*511,582*	*428,741*	*184,607*	*186,740*	3,350,126
21	*5,378,035*	*1,794,474*	7,172,509	*806,785*	*7,880,646*	8,687,431	*5,379,538*	- -	*458,430*	*2,124,872*	*725,091*	4,469,027
22	*7,678,287*	*2,245,905*	9,924,192	*803,009*	*10,185,696*	10,988,705	*7,678,289*	- -	*725,110*	*1,966,231*	*619,075*	6,767,698
23	*4,936,985*	*1,498,119*	6,435,104	*1,051,077*	*6,756,528*	7,807,605	*4,936,985*	- -	*479,100*	*1,780,461*	*611,059*	4,370,832
24	*7,880,889*	*2,606,409*	10,487,298	*1,013,832*	*10,434,680*	11,448,512	*7,880,889*	*781,729*	*319,966*	*2,288,883*	*177,045*	7,639,514
25	*4,242,531*	*1,437,725*	5,680,256	*714,088*	*5,589,612*	6,303,700	*4,243,631*	*77,366*	*313,019*	*1,649,273*	*20,411*	4,241,574
26	*169,889,516*	*94,903,342*	264,792,858	*4,602,511*	*78,075,700*	82,678,211	*44,145,961*	*13,582,332*	*4,566,791*	*18,043,706*	*2,339,421*	173,005,957

The following is a Comparison of some of the Totals:—

	Gold.	Silver.	Total.
	£.	£.	£.
(1.)—The Board of Trade exports from the United Kingdom, *by all vessels*, for 25 years (Columns 4, 9, and 21), give	26,550,048	146,455,909	173,005,957
M. de Quetteville's „ „ „ *by Peninsular and Oriental Company alone*, for 25 years (Columns 1, 5, and 10), give	26,668,628	143,220,888	169,889,516
Messrs. Pixley and Abell's „ „ „ by Peninsular and Oriental Company (actual figures taken from the manifests), for 25 years (Column 8), give	—	140,004,418	—
The Board of Trade Tables show 118,580 *l.* less of gold, and 3,235,021 *l.* more of silver than M. de Quetteville's, or an excess on the two metals of			3,116,441
But Messrs. Page and Gwyther's return in Column 20 shows the exports in the last six years, by vessels *from London and Liverpool*, other than those of the Peninsular and Oriental Company, to have been			2,339,421
Deducting these, the Board of Trade figures exceed M. de Quetteville's, for the Peninsular and Oriental Company alone, by		£.	777,020

The Board of Trade Tables are for the *United Kingdom*, M. de Quetteville's for *Great Britain*, and Messrs. Pixley and Abell's for *England*. This difference, however, does not seem material, the exports of Gold and Silver from *Scotland* having been in the three years, 1873 to 1875, only 3,466 *l.* and 1,936 *l.* respectively, while there have been no such exports from *Ireland*.

(2.)—M. de Quetteville's Table of Exports of Silver (Column 5) exceeds Messrs. Pixley and Abell's (Column 8) by £. 3,216,470

The variations in particular years are very remarkable, especially 1853, 1860, 1870, 1872, 1873, 1874, and 1875, the excess being not always on the same side.

	1851.	1852.	1853.	1854.	1855.	1856	1857.	1858.	1859.	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	Total for 25 Years.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Excess of M. de Quetteville's	1,000	182,788	1,592,685	36,513	—	4,994	63,317	27,990	Exactly equal.	—	13,485	47,046	—	—	23,272	9,313	1,015	14,490	—	339,035	—	624,484	866,246	—	295,538	4,143,211
„ Messrs. Pixley and Abell's	—	—	—	—	21,844	—	—	—		440,463	—	—	49,747	78,734	—	—	—	—	21,908	—	62,806	—	—	251,239	—	926,741
Net Excess of M. de Quetteville's figures																										3,216,470

(3.)—Messrs. Page and Gwyther's Table of Exports of *Gold and Silver*, from 1866 to 1875, *from Southampton* (Column 16), gives £. 44,145,961

M. de Quetteville's „ „ „ in those 10 years, *by Peninsular and Oriental Company* (Column 10), gives 44,143,359

(The figures are almost identical, the only important differences being an excess of the former by 1,503 *l.* in 1871, and 1,100 *l.* in 1875) £. 2,602

Messrs. Page and Gwyther's Table gives the Exports, from 1866 to 1875,

	£.	£.
by Peninsular and Oriental Company, from Marseilles, Venice, and Brindisi (Column 17)	13,582,332	
by Peninsular and Oriental Company, from Gibraltar, Malta, and Suez (Column 18)	4,566,791	
by Messageries Maritimes, from Marseilles and Suez (Column 19)	18,043,706	
	36,192,829	
M. de Quetteville's Table gives the Exports in those 10 years, *from Mediterranean Ports, by Peninsular and Oriental Company, and Messageries Impériales* (Column 11)	32,644,836	
		3,547,993
Excess of Messrs. Page and Gwyther's figures		3,550,595
But it will be seen (from Column 13) that Messrs. Page and Gwyther include *Exports to Gibraltar, Malta, Constantinople, Syria, and Suez*		4,602,511
If these be deducted, M. de Quetteville's figures show an excess of		£. 1,051,916

(4.)—Messrs. Page and Gwyther's Table gives the Exports

	£.
from Southampton, from 1866 to 1875 (Column 16), as	44,145,961
from London and Liverpool, from 1870 to 1875 (Column 20)	2,339,421
	46,485,382
The Board of Trade Table gives the total *from the United Kingdom*, from 1866 to 1875 (Column 21)	42,769,477
Excess of Messrs. Page and Gwyther's figures	£. 3,715,905

The following Table shows that the variations in almost every year are very remarkable, and that the excess of Messrs. Page and Gwyther's figures occurred chiefly in the Returns for 1871, 1872, and 1873 :—

	1866.	1867.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	Total of 10 Years.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Excess of Messrs. Page and Gwyther's figures	—	—	—	—	32,332	1,635,602	1,529,766	1,177,212	418,420	22,468	4,815,800
„ Board of Trade figures	189,201	4,863	108,501	797,330	—	—	—	—	—	—	1,099,895
Net Excess of Messrs. Page and Gwyther's figures										£.	3,715,905

Appendix, No. 30.

PAPER put in by the *Chairman*.

EXTRACT from the THIRTEENTH REPORT of the COMMISSIONERS of INLAND REVENUE (1870), page 81. Appendix, No. 30.

GOLD AND SILVER PLATE DUTIES.

THE duty on Gold plate is 17 *s.* per ounce, on Silver plate 1 *s.* 6 *d.* per ounce. Rate of duty.

Practically, however, in the case of Silver, the duty paid by the manufacturer is not more than 1 *s.* 3 *d.*, inasmuch as an allowance of one-sixth is made in consideration of the unfinished state of the wares when they are produced for the assay, at which time the duty is assessed. This allowance is much in excess of the average difference between the finished and unfinished article. Allowance on unfinished wares.

The only exemption from duty in the case of Gold plate is that of watch cases; in Silver the list of exempted articles is a long one. They are described in the Act as,—"All watch cases, chains, necklace-beads, lockets, filigree work, shirt buckles or brooches, stamped medals, and spouts to china, stone, or earthenware teapots, of Silver of any weight whatsoever; tippings, swages, or mounts not weighing 10 pennyweights of Silver each, and not being necks or collars for castors, cruets, or glasses appertaining to any sorts of stands or frames; wares of Silver not weighing five pennyweights of Silver each; but this exemption not to include necks, collars, and tops for castors, cruets or glasses appertaining to any sort of stands or frames; buttons to be affixed to or set on any wearing apparel, solid Silver buttons, and solid studs, not having a bezelled edge soldered on; wrought seals, blank seals, bottle tickets, shoe-clasps, patch-boxes, salt spoons, salt ladles, teaspoons, tea strainers, caddy ladles, buckles, and pieces of garnish cabinets or knife cases, or tea chests, or bridles, or stands, or frames." Exemptions.

The duty on both kinds of plate is collected at the assay offices, which are in the following cities and towns, viz.:— Mode of collection.

England:—London, Birmingham, Chester, Exeter, Newcastle, Sheffield (Silver only) and York.

Scotland:—Edinburgh and Glasgow.

Ireland:—Dublin.

The duty is collected by the assay officers, and the following allowances are made to them for their trouble, viz.:—

In England, 1 *l.* per cent on the sum collected.

Scotland, 2 *l.* 10 *s.* per cent. on the sum collected.

Ireland, 5 *l.* per cent. on the sum collected.

In London the Goldsmiths' Company furnish accounts to the Accountant and Comptroller General, which, after examination in his Department, are handed to an Inspector of Stamps, in order that they may be compared with the books kept at the offices of the Goldsmiths' Company. The Inspector, upon being satisfied that the accounts agree, gives a certificate to that effect. London.

In the country the accounts are furnished by the assay officers to the Distributor of Stamps, who satisfies himself that they agree with the books of the Assay Office. The accounts are then transmitted by him with his quarterly accounts to the Accountant and Comptroller General's Department, where they undergo a further examination by the Accountant charged with the examination of the Stamp Distributors' accounts. In the country.

A Parliamentary Committee which sat in the Session of 1856 to receive evidence of the state of the offices for assaying plate, recommended that the laws relating to them should be amended and consolidated, and that powers should be given to the Treasury to open new and to close existing offices, according to the varying requirements of trade. Proposed amendment of law.

Appendix, No. 31.

PAPER put in by the *Chairman*.

Appendix, No. 31.

STATEMENT shewing the Amount of GOLD and SILVER PLATE DUTY Charged, and of the DRAWBACK allowed thereon, in the UNITED KINGDOM, in each of the Years from 1851 to 1874 inclusive.

YEARS ENDED	Amount of Duty Charged.			Amount of Drawback Allowed.		
	Gold at 17 *s.* per oz.	Silver at 1 *s.* 6 *d.* per oz.	TOTAL.	Gold at 17 *s.* per oz.	Silver at 1 *s.* 6 *d.* per oz.	TOTAL.
	£.	£.	£.	£.	£.	£.
5 January 1852 -	7,578	65,759	73,337	- -	11,388	11,388
„ 1853 -	7,744	60,464	68,208	Cannot be distinguished from Silver.	9,407	9,407
„ 1854 -	9,382	73,521	82,903	- -	10,705	10,705
31 March 1855 -	8,432	74,577	83,009	5	11,733	11,738
„ 1856 -	9,295	64,759	74,054	45	9,709	9,754
„ 1857 -	8,944	69,803	78,747	46	10,638	10,684
„ 1858 -	8,744	64,758	73,502	5	12,461	12,466
„ 1859 -	8,927	60,126	69,053	60	8,711	8,771
„ 1860 -	10,476	64,747	75,223	59	8,505	8,564
„ 1861 -	10,268	67,012	77,280	38	10,863	10,901
„ 1862 -	8,796	56,330	65,126	145	7,520	7,665
„ 1863 -	8,751	59,494	68,245	68	7,850	7,918
„ 1864 -	9,448	60,276	69,724	10	9,074	9,084
„ 1865 -	8,817	64,363	73,180	- -	9,987	9,987
„ 1866 -	10,956	63,267	74,223	57	7,282	7,339
„ 1867 -	12,060	59,147	71,207	67	7,261	7,328
„ 1868 -	11,519	57,330	68,849	21	8,045	8,066
„ 1869 -	11,417	53,772	65,189	- -	7,431	7,431
„ 1870 -	11,871	53,029	64,900	273	7,297	7,570
„ 1871 -	12,618	50,441	63,059	14	5,574	5,588
„ 1872 -	15,237	53,569	68,806	196	6,470	6,666
„ 1873 -	17,381	61,330	78,711	37	8,586	8,623
„ 1874 -	19,782	63,547	83,329	- -	8,818	8,818
„ 1875 -	20,334	66,487	86,821	56	9,021	9,077
£.	268,777	1,487,906	1,756,685	1,202	214,336	215,538
	=316,208 *Ounces.*	=19,838,746 *Ounces.*		=1,414 *Ounces.*	=2,857,813 *Ounces.*	

Inland Revenue Office,
5 April 1876.

Appendix, No. 32.

TABLE put in by Mr. *E. Seyd*, and referred to in his Evidence (Question 1253).

STATEMENT (compiled from Appendix, No. 31) shewing the WEIGHT of GOLD and SILVER PLATE (1) on which DUTY was paid, (2) on which a DRAWBACK was allowed, and (3) the NET AMOUNT RETAINED FOR HOME USE, in the UNITED KINGDOM, in each of the Years 1851-52 to 1874-75. Appendix, No. 32.

YEARS ENDED	Weight on which Duty was paid.		Weight on which Drawback was allowed.		Net Amount Retained for Home Use.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	Ounces.	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*
5 January 1852 -	8,915	876,787	- -	151,840	8,915	724,947
„ 1853 -	9,111	806,187	- -	125,427	9,111	680,760
„ 1854 -	11,038	980,280	- -	142,733	11,038	837,447
31 March 1855 -	9,920	994,360	6	156,440	9,914	837,920
„ 1856 -	10,935	863,453	53	129,453	10,882	733,990
„ 1857 -	10,522	930,707	53	141,840	10,469	788,867
„ 1858 -	10,287	863,440	6	166,147	10,281	697,293
„ 1859 -	10,502	801,680	70	116,146	10,432	685,534
„ 1860 -	12,325	863,293	69	113,400	12,256	749,893
„ 1861 -	12,080	893,493	45	144,840	12,035	748,653
„ 1862 -	10,348	751,067	171	100,267	10,177	650,800
„ 1863 -	10,295	793,253	80	104,667	10,215	688,586
„ 1864 -	11,115	803,667	12	120,987	11,103	682,680
„ 1865 -	10,373	858,173	- -	133,160	10,373	725,013
„ 1866 -	12,890	843,560	67	97,093	12,823	746,467
„ 1867 -	14,188	788,627	79	96,813	14,109	681,814
„ 1868 -	13,552	764,387	25	107,267	13,527	657,120
„ 1869 -	13,432	716,960	- -	99,080	13,432	617,880
„ 1870 -	13,966	707,053	321	97,293	13,645	609,760
„ 1871 -	14,845	672,547	17	74,320	14,828	598,227
„ 1872 -	17,926	714,253	232	86,267	17,694	627,986
„ 1873 -	20,448	817,733	42	114,480	20,406	703,253
„ 1874 -	23,273	847,293	- -	117,573	23,273	729,720
„ 1875 -	23,922	886,493	66	120,280	23,856	766,213
TOTALS for 24 Years - *Ounces*	316,208	19,838,746	1,414	2,857,813	314,794	16,970,933

Appendix, No. 33.

PAPERS put in by the *Chairman*.

Appendix, No. 33.

THE following Table, which has been taken from the 18th Report of the Inland Revenue Commissioners, gives the yield of the Plate Duty for the last 10 years in England, Scotland, and Ireland.

The duty is imposed in Great Britain by the 55 Geo. 3, c. 185, and in Ireland by the 5 & 6 Vict. c. 82.

Years ended 31st March	Gold and Silver Plate Duty.			
	England.	Scotland.	Ireland.	United Kingdom.
	£.	£.	£.	£.
1866 - - - - -	62,341	2,060	782	65,183
1867 - - - - -	62,056	2,199	704	64,959
1868 - - - - -	57,318	1,963	787	60,068
1869 - - - - -	54,755	1,950	777	57,482
1870 - - - - -	55,025	1,886	770	57,681
1871 - - - - -	53,605	1,772	750	56,127
1872 - - - - -	57,662	1,813	688	60,163
1873 - - - - -	64,813	2,035	594	67,442
1874 - - - - -	70,773	1,887	677	73,337
1875 - - - - -	74,822	1,798	484	77,104
TOTALS, 1866 to 1875 - £.	613,170	19,363	7,013	639,546

Appendix, No. 34.

PAPER handed in by Mr. *William Robinson.*

ACCOUNT of the Total Weight of SILVER marked at Goldsmiths' Hall for Fifteen Years, and the Total Amount of SILVER PLATE DUTY received at Goldsmiths' Hall for Fifteen Years. Appendix, No. 34.

TOTAL WEIGHT of SILVER marked at Goldsmiths' Hall for 15 Years.			TOTAL AMOUNT of SILVER PLATE DUTY received at Goldsmiths' Hall for 15 Years.		
	Oz.	*dwts.*		£.	*s.* *d.*
Year ending 29 May 1861	933,723	18	Year ending 30 June 1861	46,373	2 7½
„ 1862	836,901	3	„ 1862	42,411	17 6½
„ 1863	888,313	12	„ 1863	47,414	– 2
„ 1864	949,470	7	„ 1864	47,844	13 6
„ 1865	960,764	5	„ 1865	46,235	6 1½
„ 1866	956,856	16	„ 1866	46,444	5 9½
„ 1867	872,900	12	„ 1867	41,247	14 6½
„ 1868	838,839	0	„ 1868	40,872	1 9
„ 1869	803,213	11	„ 1869	39,531	– 5½
„ 1870	783,155	6	„ 1870	37,400	6 5
„ 1871	792,299	15	„ 1871	37,042	4 3½
„ 1872	883,110	0	„ 1872	42,438	5 1½
„ 1873	1,066,973	1	„ 1873	47,832	11 1½
„ 1874	1,006,163	10	„ 1874	47,862	17 1
„ 1875	1,046,921	19	„ 1875	50,416	6 –
Oz.	13,559,606	15	£	661,366	12 6½

6 April 1876.

Walter Prideaux,
Clerk of the Goldsmiths' Company.

Appendix, No. 35.

PAPER put in by the *Chairman*.

Appendix, No. 35.

RETURNS relative to SILVER PLATE Assayed in the Years from 1851 to 1875 inclusive, at the undermentioned ASSAY OFFICES, viz. :—

York.	Newcastle-on-Tyne.	Edinburgh.
Exeter.	Birmingham.	Glasgow.
Chester	Sheffield.	Dublin.

ASSAY OFFICE, YORK.

Year.	Amount of Duty.
	£.
1851	—
1852	—
1853	—
1854	48
1855	104
1856	39
1857	43
1858	—
1859	152
1860	6
1861	2
1862	2
1863	1
1864	1
1865	—
1866	1
1867	—
1868	2
1869	—
1870	—
1871	—
1872	—
1873	—
1874	—
1875	—
TOTAL	401

ASSAY OFFICE, EXETER.

Year.	Gross Weight.	Net Weight.	Amount of Duty.
	Oz.	*Oz.*	£.
1851	53,194	44,344	3,326
1852	51,725	43,116	3,234
1853	67,632	56,369	4,228
1854	63,643	53,041	3,978
1855	56,808	47,345	3,551
1856	63,304	52,756	3,957
1857	56,329	46,942	3,521
1858	43,881	36,568	2,743
1859	50,469	42,058	3,154
1860	48,603	40,499	3,037
1861	35,048	29,208	2,191
1862	27,053	22,544	1,691
1863	30,797	25,664	1,925
1864	34,695	28,913	2,168
1865	35,225	29,354	2,202
1866	36,907	30,756	2,307
1867	37,077	30,897	2,318
1868	30,435	25,364	1,902
1869	28,573	23,811	1,786
1870	25,032	20,860	1,565
1871	24,094	20,079	1,506
1872	27,190	22,659	1,699
1873	24,708	20,590	1,544
1874	24,985	20,821	1,562
1875	31,798	26,499	1,987
TOTALS	1,009,205	841,057	63,082

ASSAY OFFICE, CHESTER.

Year.	Net Weight.	Amount of Duty.
	Oz.	£.
1851	173	13
1852	116	9
1853	91	7
1854	139	10
1855	105	8
1856	107	8
1857	124	9
1858	95	7
1859	49	4
1860	67	5
1861	78	6
1862	100	8
1863	59	4
1864	84	6
1865	161	12
1866	728	55
1867	904	68
1868	395	30
1869	1,030	77
1870	843	63
1871	422	32
1872	70	5
1873	68	5
1874	343	26
1875	691	52
TOTALS	7,042	529

ASSAY OFFICE, NEWCASTLE-ON-TYNE.

Year.	Net Weight.	Amount of Duty.
	Oz.	£.
1851	9,114	683
1852	8,763	657
1853	9,645	723
1854	10,480	786
1855	9,987	749
1856	9,540	716
1857	7,143	535
1858	5,712	428
1859	6,204	466
1860	5,383	404
1861	5,535	415
1862	3,709	278
1863	4,395	330
1864	4,172	313
1865	4,937	370
1866	2,897	217
1867	2,404	180
1868	2,177	163
1869	2,156	162
1870	2,981	224
1871	2,547	191
1872	1,969	148
1873	1,983	149
1874	1,949	146
1875	1,851	139
TOTALS	127,633	9,572

ASSAY OFFICE, BIRMINGHAM.

Year.	Gross Weight.	Amount of Duty.
	Oz.	£.
1851	85,774	*
1852	77,431	*
1853	88,279	*
1854	98,604	*
1855	84,773	2,325
1856	82,858	3,294
1857	84,911	3,238
1858	73,453	3,280
1859	72,285	3,229
1860	108,222	5,303
1861	78,252	3,855
1862	78,052	3,867
1863	85,852	4,517
1864	101,595	5,375
1865	99,951	5,182
1866	91,234	4,954
1867	84,377	4,441
1868	80,274	4,314
1869	87,664	4,687
1870	84,654	4,596
1871	81,589	4,343
1872	92,154	4,507
1873	106,799	5,087
1874	135,145	6,401
1875	141,574	6,792
TOTALS	2,285,756	†93,587

* No return for these years.

† The total here given is for 21 years only.

ASSAY OFFICE, SHEFFIELD.

Year.	Gross Weight.	Amount of Duty.
	Oz.	£.
1851 - -	57,309	3,583
1852 - -	56,140	3,510
1853 - -	81,435	5,092
1854 - -	76,092	4,758
1855 - -	68,046	4,261
1856 - -	77,651	4,858
1857 - -	83,212	5,206
1858 - -	70,038	4,382
1859 - -	84,796	5,305
1860 - -	94,773	5,929
1861 - -	82,408	5,158
1862 - -	84,637	5,296
1863 - -	91,095	5,701
1864 - -	114,795	7,183
1865 - -	117,409	7,347
1866 -	107,584	6,731
1867 - -	90,675	5,675
1868 - -	93,718	5,866
1869 - -	82,619	5,172
1870 - -	67,274	4,209
1871 - -	70,659	4,425
1872 - -	84,770	5,308
1873 - -	93,396	5,845
1874 - -	106,555	6,669
1875 - -	105,493	6,602
TOTALS - -	2,142,579	134,071

ASSAY OFFICE, EDINBURGH.

Year.	Gross Weight.	Amount of Duty.
	Oz.	£.
1851 - -	16,030	1,002
1852 - -	16,955	1,060
1853 - -	20,213	1,263
1854 - -	18,515	1,157
1855 - -	16,524	1,033
1856 - -	17,661	1,104
1857 - -	18,382	1,149
1858 - -	17,791	1,112
1859 - -	17,323	1,083
1860 - -	15,063	941
1861 - -	12,524	783
1862 - -	11,741	734
1863 - -	12,994	812
1864 - -	13,817	864
1865 - -	13,560	848
1866 - -	15,624	976
1867 - -	14,748	922
1868 - -	14,217	889
1869 - -	14,474	905
1870 - -	13,574	848
1871 - -	14,083	880
1872 - -	13,268	829
1873 - -	12,529	783
1874 - -	12,721	795
1875 - -	13,425	839
TOTALS - -	377,756	23,611

ASSAY OFFICE, GLASGOW.

Year.	Gross Weight.	Amount of Duty.
	Oz.	£.
1851 - -	17,249	1,078
1852 - -	16,620	1,039
1853 - -	21,246	1,328
1854 - -	23,318	1,458
1855 - -	20,100	1,256
1856 - -	21,549	1,347
1857 - -	20,783	1,299
1858 - -	17,473	1,092
1859 - -	15,890	993
1860 - -	16,549	1,035
1861 - -	13,084	818
1862 - -	12,174	761
1863 - -	13,904	869
1864 - -	13,128	821
1865 - -	15,494	969
1866 - -	14,678	917
1867 - -	12,703	794
1868 - -	12,634	790
1869 - -	11,246	703
1870 - -	11,236	703
1871 - -	9,784	612
1872 - -	12,646	791
1873 - -	11,449	716
1874 - -	12,262	767
1875 - -	13,561	848
TOTALS - -	380,760	23,804

ASSAY OFFICE, DUBLIN.

Year.	Gross Weight.	Amount of Duty.
	Oz.	£.
1851 - -	—	—
1852 - -	—	—
1853 - -	—	—
1854 - -	—	—
1855 - -	—	—
1856 - -	—	—
1857 - -	—	—
1858 - -	20,970	1,311
1859 - -	20,330	1,271
1860 - -	19,485	1,218
1861 - -	14,982	936
1862 - -	12,255	766
1863 - -	10,106	632
1864 - -	11,783	736
1865 - -	13,596	850
1866 - -	12,648	790
1867 - -	13,174	823
1868 - -	14,463	904
1869 - -	13,236	827
1870 - -	13,398	837
1871 - -	13,269	829
1872 - -	10,890	681
1873 - -	11,300	706
1874 - -	9,349	584
1875 - -	10,633	664
TOTALS - -	245,867	15,365

Inland Revenue Office,
April 1876.

Appendix, No. 36.

PAPERS put in by Mr. *Samuel Seldon.*

Appendix, No. 36.

A.—STATEMENT of the Number of Ounces of FOREIGN MANUFACTURED SILVER PLATE Imported into the UNITED KINGDOM during the last Ten Years; also the Quantities on which DUTY was paid, and the Amount of DUTY received, together with the Rate of DUTY leviable to countervail the STAMP DUTY on BRITISH PLATE.

YEARS.	Foreign Silver Plate.			
	Quantities Imported.	Quantities Chargeable with Duty.	Duty.	
			Amount received.	Rate.
	Ounces Troy.	*Ounces Troy.*	£.	
1866	51,664	46,040	3,455	1*s.* 6*d.* per oz. Troy.
1867	58,598	54,445	4,083	
1868	54,302	47,668	3,555	
1869	61,901	58,096	4,357	
1870	81,744	66,026	4,941	
1871	103,121	58,075	4,356	
1872	85,546	62,989	4,724	
1873	81,668	74,499	5,587	
1874	85,849	76,580	5,743	
1875	72,275	66,209	4,929	

Note.—Battered silver plate is entered as bullion.

Statistical Department, Custom House, London,
6 April 1876.

S. Seldon, Principal.

B.—ACCOUNT of the Quantities and Declared Value of BRITISH and FOREIGN SILVER PLATE Exported from the UNITED KINGDOM in each of the Ten Years from 1866 to 1875, both inclusive.

YEARS.	Silver Plate Exported from the United Kingdom.					
	British.		Foreign.		TOTAL.	
	Oz.	£.	*Oz.*	£.	*Oz.*	£.
1866	121,809	57,158	5,624	1,406	127,433	58,564
1867	135,121	82,726	4,153	1,038	139,274	83,764
1868	118,307	61,933	7,175	1,794	125,482	63,727
1869	133,580	66,452	3,836	959	137,416	67,411
1870	116,671	59,100	15,718	3,930	132,389	63,030
1871	127,545	62,592	45,283	24,353	172,828	86,945
1872	149,868	73,229	16,740	6,237	166,608	79,466
1873	153,133	82,328	8,918	3,570	162,051	85,898
1874	142,488	85,824	10,124	4,305	152,612	90,129
1875	119,060	69,181	7,909	5,135	126,969	74,316

Statistical Department, Custom House, London,
6 April 1876.

S. Seldon.

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3. *Exports and Imports of Gold and Silver.*
4. *Question of Demonetisation of Silver in favour of a Gold Standard: effect thereof upon the Price of Silver.*
5. *Legislation in* 1876 *relative to the Silver Coinage.*
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2. *Export and Import.*
3. *Coinage and Circulation.*
4. *Relative Demand for, and Value of, Gold and Silver.*
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1. *Silver Coinage; Amount in different Years.*
2. *Standard of Fineness.*
3. *Coinage for Merchants and others.*
4. *Way in which the Coinage passes into Circulation; room for Increase.*
5. *Deductions from the Coinage in Circulation on the Score of Loss, &c.*
6. *Native Demand for Silver and Silver Coinage, for the purpose of Hoarding, Conversion into Ornaments, &c.*
7. *Effect of Increased Coinage as regards Prices.*
8. *Effect as regards Collection of the Revenue.*
9. *Absorption of Silver during the Cotton Famine.*
10. *Gold Circulation; relative Value of Gold and Silver.*
11. *Paper Currency.*
12. *Copper Coinage.*
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14. *Effect of the Depression in Trade and in the Prices of Produce, as regards the Indian Exchanges and the Depreciation of Silver.*
15. *Effect of the Loan Operations, Interest payments in England for Railways, and other Transactions of the Home Government of India.*
16. *Effect of the Council Bills on India in increasing the Depreciation.*
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